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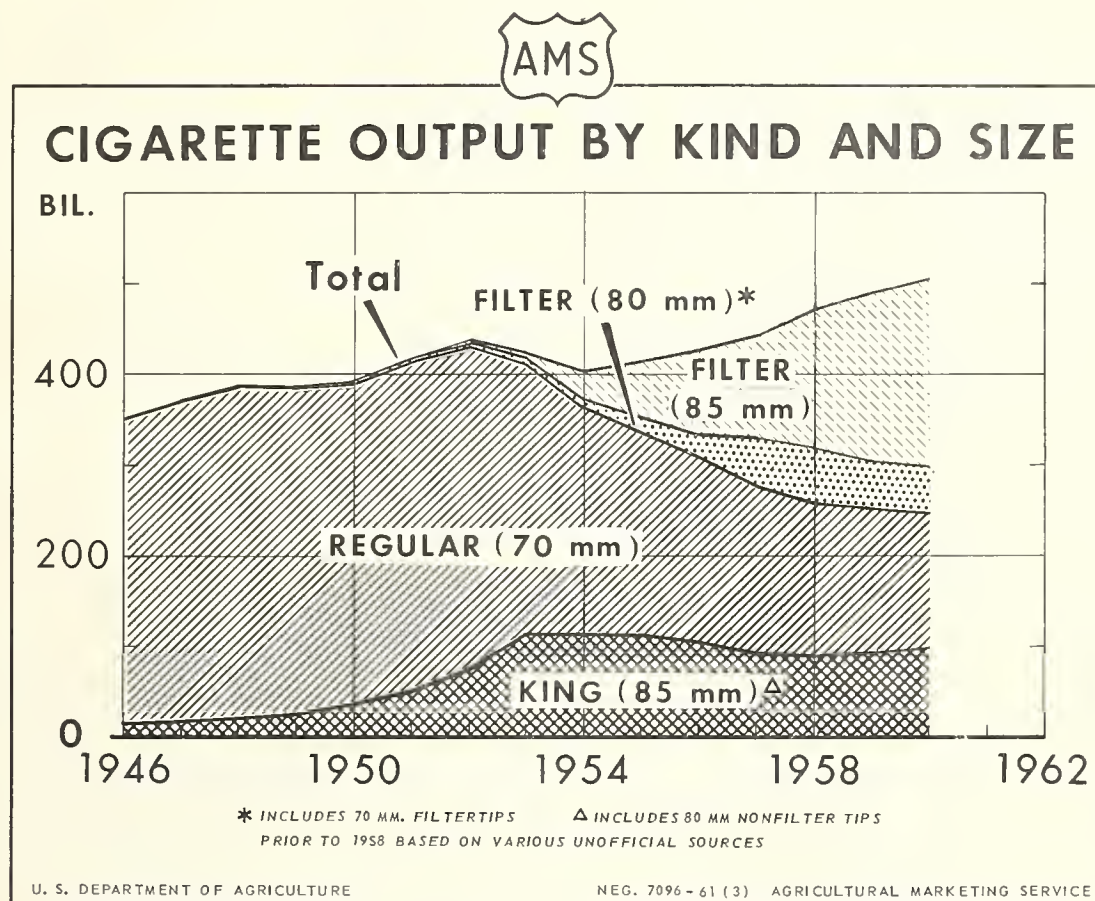
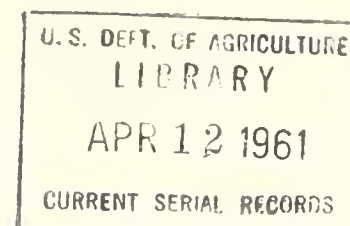


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March 1961  
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# TOBACCO SITUATION

TS-95



In 1960, for the fourth year in a row, cigarette output rose to a new high. Production totaled 507 billion,  $3\frac{1}{2}$  percent above 1959 and 29 percent above 1950. Filter tip cigarettes accounted for about 51 percent of total output in 1960, and nonfilter tips, 49 percent. The shift towards filter tips in 1960 slowed appreciably compared with most other recent

years, but the 1960 pattern differs sharply from the years prior to 1954 when filter tips were less than 3 percent of total output. In 1960, output of king size (85 mm.), filter tips rose about 12 percent, but output of the regular (70 mm.) and long (80 mm.) sizes declined. Output of king size nonfilter tips was up 10 percent from a year earlier.

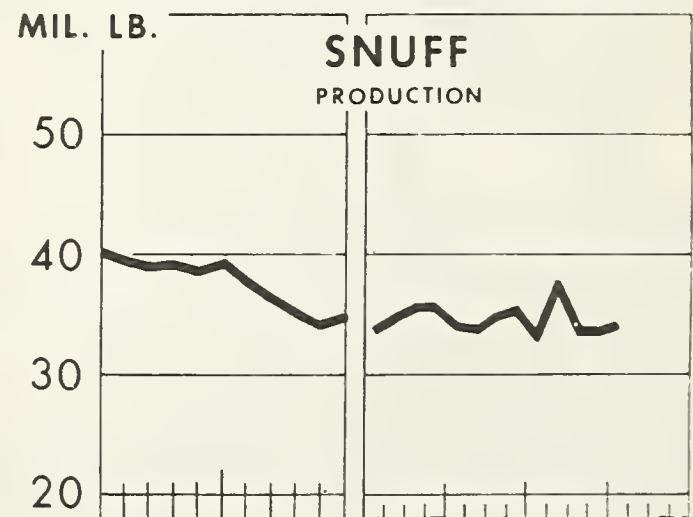
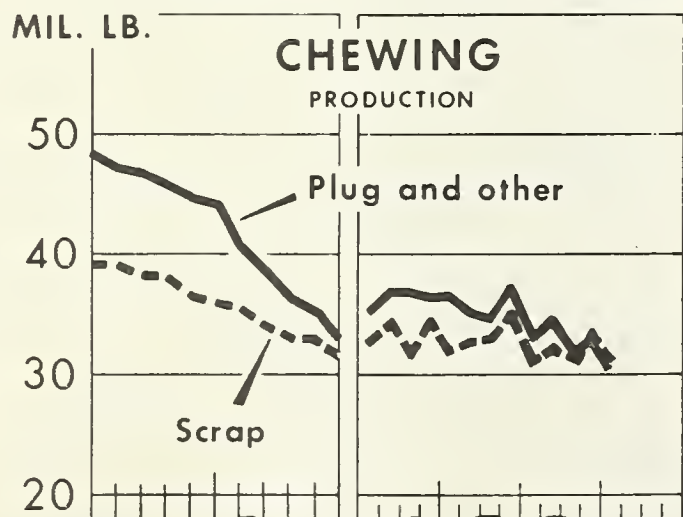
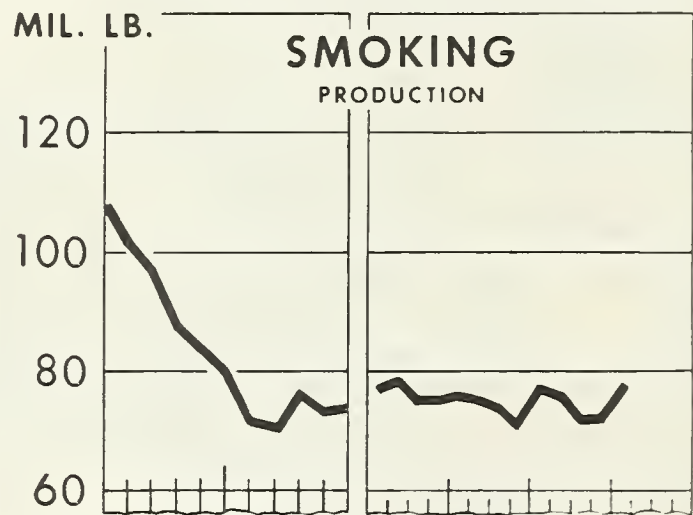
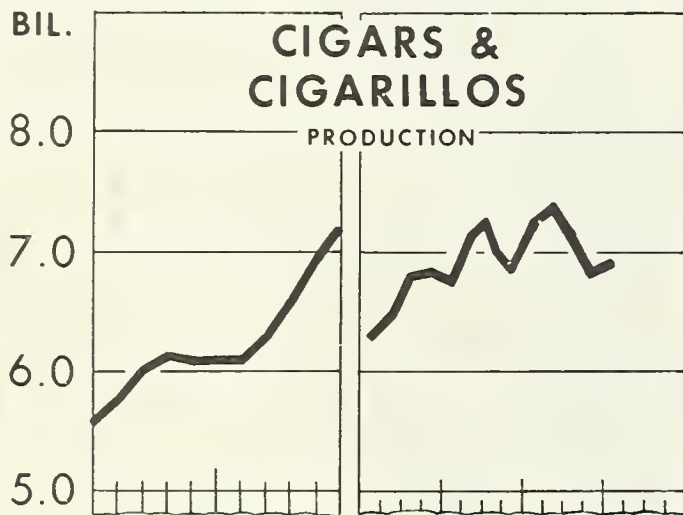
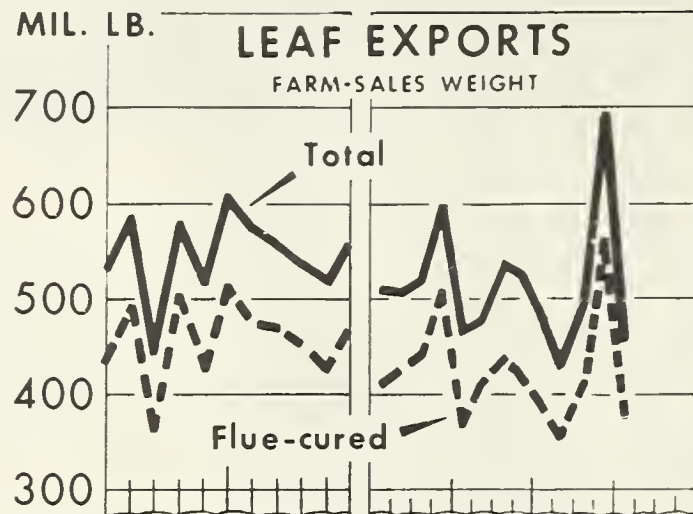
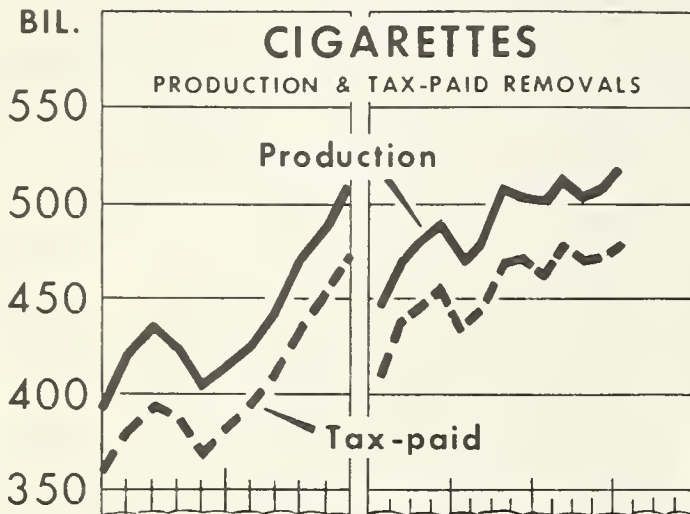


Growth Through Agricultural Progress

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UNITED STATES DEPARTMENT OF AGRICULTURE

# TOBACCO OUTLETS

*Recent Trends in Manufactured Products and Exports*



1950 55 '60 1958 '59 '60 '61  
ANNUAL  
QUARTERLY, SEASONALLY  
ADJUSTED, AT ANNUAL RATES

1950 55 '60 1958 '59 '60 '61  
ANNUAL  
QUARTERLY, SEASONALLY  
ADJUSTED, AT ANNUAL RATES

LAST QUARTER SHOWN, PARTLY ESTIMATED



- - - - -  
T H E T O B A C C O S I T U A T I O N  
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Approved by the Outlook and Situation Board, March 24, 1961

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### SUMMARY

The March 1 plans of U. S. growers indicated that their 1961 acreage would be about 2 percent larger than harvested in 1960. However, if yields per acre are equal to the recent 3 or 5 year averages, total tobacco production in 1961 will not be as large as last year. The 1960 yield per acre for all kinds of tobacco combined was the highest on record, though not for each kind. An increase in burley production is expected in 1961, since acreage allotments were increased 6 percent over 1960. Carryover of flue-cured tobacco may be up slightly at the outset of the 1961-62 marketing year but carryover of burley will be lower. For other kinds of tobacco, some will have higher and some, lower carryovers.

Cigarette output is expected to reach a new high in 1961. The total number manufactured in 1960 was a record 507 billion,  $3\frac{1}{2}$  percent above 1959. Output was divided between filter tips, 51 percent, and nonfilter tips, 49 percent. In 1959, the percentage split was the reverse--51 percent nonfilter tips and 49 percent filter tips. The trend towards filter tip cigarettes appears to have slowed appreciably, compared with the marked shifts in other recent years. U. S. smokers (including those overseas) consumed about 484 billion cigarettes in 1960, nearly 96 percent of total output. Over 20 billion were exported for foreign consumption, and most of the balance went to Puerto Rico and island possessions of the United States.

Cigar and cigarillo consumption at 7,052 million in 1960 gained about 1 percent, in contrast with a 7 percent gain from 1958 to 1959. The reduction in rate of increase, 1959 to 1960, may have been attributable to recessionary influences in the latter part of 1960 and to State taxation, which appears to have been a factor in a few heavily populous States. Consumption of cigars and cigarillos in 1961 as a whole is expected to top last year's figure.

Output of smoking tobacco for pipes and roll-your-own cigarettes was  $73\frac{3}{4}$  million pounds in 1960, slightly above 1959. Imports of manufactured tobacco (largely smoking tobacco) totaled 918,000 pounds--a third larger than in 1959. The 1960 output of chewing tobacco totaled about 65 million pounds--5 percent less than in 1959, and a new low. The decline for plug chewing was greater than for scrap chewing products. The 1960 output of snuff was slightly over  $34\frac{1}{2}$  million pounds, a little above the long time low of 1959.

The 1960 exports of unmanufactured tobacco reached 495 million pounds (equivalent to 556 million, farm-sales weight)--about  $6\frac{1}{2}$  percent above 1959, when they were at a 5-year low. The declared value of unmanufactured tobacco exports was \$378 million, 9 percent above 1959, and a record high. Shipments for foreign currencies accounted for 6 percent and barter shipments for  $5\frac{1}{2}$  percent of total 1960 tobacco exports. Tobacco exports in 1961 may be a little below 1960. The stocks position of several importing countries has improved, and production in foreign competitive areas has continued to increase. Also, various barriers existing in many foreign markets are hampering our tobacco exports.

The 1961 crops of those kinds of tobacco under marketing quotas and acreage allotments will receive Government price support at the same levels as in 1960. The method for determining tobacco price supports was changed by law in February 1960. For flue-cured, burley and some others, the previous method provided for price support at 90 percent of the appropriate parity price each year. The new method provides that for 1961 and subsequent crops, the Government support levels of 1959 are to be adjusted according to the percentage change between (1) the 1959 parity index and (2) the average of the parity indexes for the 3 calendar years just preceding the year for which supports are being determined. (The parity index is the index of prices paid by farmers, including interest, taxes and farm wage rates). The 1958-60 average of the parity index was 296 and the 1959 parity index was 297. The result of dividing 296 by 297 and rounding to the nearest whole percentage is 100. Thus, for flue-cured tobacco, as an example, its 1959 support level of 55.5 cents per pound is multiplied by 100 percent and the result, 55.5 cents, is the 1961 support level. The February 1960 legislation set 1960 supports at the same level as in 1959, so that, including this year, the price supports will have been identical for 3 consecutive crops.

Based on farmers' intentions as of March 1, flue-cured acreage will be the same as last year. Unless last year's record high yield per acre is duplicated, this year's production will be below last year's. If the recent 3-year average yield is approximated, the 1961 crop will be 6 percent less than in



1960. Carryover on July 1 may be slightly above last July 1, but total 1961-62 supplies might be a little below 1960-61. In the marketing year ending June 30, both domestic use and exports of flue-cured are likely to be above the preceding year.

Based on intended acreage as of March 1, and on yields per acre about equal to the average of recent years, the 1961 burley crop will be about 7 percent above the volume marketed last season. Farm allotments were increased 6 percent, and intended acreage largely reflects this increase. Carryover of burley at the beginning of the October 1961-September 1962 marketing year will be appreciably lower than last October 1. The 1961-62 total supply of burley may be a little less than for 1960-61. The total disappearance of burley in the year ending September 30 is likely to exceed that of a year earlier.

Owing to a drop in carryover, the total supply of Maryland tobacco for 1960-61 is 1 percent less than for 1959-60, and the smallest in 10 years. The 1960 crop--estimated to be 5 percent larger than 1959--will start to auctions April 25. The Government price support level is 50.8 cents per pound. The average price received for the 1959 crop was 61.6 cents per pound. Based on March 1 intentions, the 1961 Maryland tobacco acreage is 4 percent above last year.

Based on prospective acreages and the average yields of recent years, the 1961 production of fire-cured may be up 9 percent, and that of dark air- and sun-cured, 3 percent, over 1960. Carryovers of these kinds of tobacco on October 1 (beginning of 1961-62 marketing year) will be lower than last October 1, and total supplies for 1961-62 seem likely to be smaller than for the current year.

The intended 1961 acreage of the continental filler types is 2 percent less than harvested last year. The Pennsylvania filler type 41 is not under a marketing quota, and so no acreage limitation is in effect on continental cigar filler except for the Ohio types 42-44. The 1960-61 total supply of both the continental cigar types and also the Puerto Rico filler type 46 is above 1959-60.

Acreage allotments are in effect on the cigar binder types grown in the Connecticut Valley and Wisconsin. Acreage allotments were reduced 10 percent in the Connecticut Valley area, but remain about the same as in 1960 in Wisconsin. The prospective acreage in the Connecticut Valley is 20 percent less than in 1960, but in Wisconsin is up about 4 percent from that harvested last year. Domestic use of Connecticut Valley binder types has dropped sharply as manufactured binder sheet has replaced natural binders on a very large percentage of domestically produced cigars. Domestic use of Wisconsin tobacco has declined more moderately since a substantial portion of these types is used in scrap chewing tobacco.

The 1961 acreage of shade-grown cigar wrapper grown in the Connecticut Valley may be 2 percent below last year. This year's prospective acreage of shade-grown wrapper in Georgia-Florida is down about 7 percent from that harvested in 1960. The total supply of shade-grown wrapper in 1960-61 is an

eighth larger than in 1959-60 and above any previous year. Carryover on July 1, 1961, will be above a year earlier, and 1961-62 total supplies may reach a new high.

## TOBACCO PRODUCTS

### Cigarettes

Cigarette output and consumption reached new highs in 1960 and are expected to increase further in 1961. In 1960 output of cigarettes totaled nearly 507 billion-- $3\frac{1}{2}$  percent above 1959. United States consumption (including overseas forces) was about 484 billion, nearly 96 percent of output. The other 23 billion were exported for foreign consumption and shipped to Puerto Rico and U. S. islands. The gain in U. S. cigarette consumption from 1959 to 1960 was 17 billion, a little less than from 1958 to 1959 and substantially less than the sharp rise from 1957 to 1958.

For both cigarette output and taxable removals from factories, the 1960 gains over the preceding year largely occurred during the first half of the year. Taxable removals during the second half of 1960 topped the relatively high second half of 1959 by less than 1 percent. During the first half of 1961, cigarette output and taxable removals will probably exceed the high levels of first half 1960, but by a smaller percentage than a year and also 2 years ago.

For 1960 as a whole, the increase in cigarette consumption was broadly based geographically, with all except a few States showing significant increases. This is indicated by data from cigarette taxing States; all of the 50 States except 3 (North Carolina, Colorado and Oregon) levy taxes on cigarettes ranging from 2 to 8 cents per pack. The average rate of State tax in 1960 was 4.7 cents per pack of 20, nearly 15 percent higher than in 1958. The Federal cigarette tax has been 8 cents per pack since November 1, 1951. The 1 cent increase from 7 to 8 cents placed in effect at that time was originally to end April 1, 1954, but each year the Congress has extended it. Unless again extended, the Federal tax rate will revert to 7 cents per pack on July 1, 1961.

In 1960, cigarette consumption per capita, 15 years and over, was a record 3,908 (over 195 packs--20 to a pack), 2.4 percent above 1959 and 5.4 percent above 1958. The unstemmed tobacco equivalent of cigarettes consumed at about 9.57 pounds was the highest since 1955 and accounted for 83 percent of the per capita consumption of all tobacco products. (See table 4.)

Filter tip cigarettes accounted for about 51 percent and nonfilter tips for about 49 percent of total output in 1960. The 1959 to 1960 gain in number of filter tip cigarettes though sizable was less than in each of the previous 6 years. The 1960 output of nonfilter tip cigarettes was nearly even with 1959 after falling off steadily since 1952. The gain in the number of 85 millimeter nonfilter tip cigarettes nearly offset declines in the other sizes of nonfilter tips. The gain in the 85 millimeter filter tip cigarettes accounted for all the gain in the total filter tip category. (See table 2.)



Table 1.--Cigarettes: Total output, domestic consumption, shipments and exports for specified periods

Period	:	Total output	:	Domestic consumption	:	Shipments to		:	Exports
						Overseas	Puerto Rico		
						forces and other 1/	and U. S. islands 2/		
		Billions		Billions		Billions	Billions		Billions
Average:	:								
1935-39	:	164.2		157.0		0.9	0.8		5.5
1940-44	:	256.9		223.5		26.5	1.0		5.8
1945	:	332.2		267.2		56.9	1.2		6.9
1946	:	350.0		321.7		5.0	1.6		24.1
1947	:	369.7		335.4		10.4	1.1		22.8
1948	:	386.8		348.5		12.8	1.7		25.2
1949	:	385.0		351.8		12.0	1.7		19.5
1950	:	392.0		360.2		15.6	1.9		14.3
1951	:	418.8		379.7		20.1	2.0		16.8
1952	:	435.5		394.1		21.7	1.9		16.4
1953	:	423.1		386.8		18.8	2.0		16.2
1954	:	401.8		368.7		15.9	1.8		15.4
1955	:	412.3		382.1		13.2	2.0		15.1
1956	:	424.2		393.2		13.3	2.0		15.7
1957	:	442.3		409.4		13.7	2.1		17.0
1958	:	470.1		436.4		13.4	2.2		18.1
1959	:	489.9		453.7		13.7	2.5		19.6
1960 3/	:	506.9		470.1		14.3	2.5		20.2
Fiscal year									
Year ending June	:								
1957	:	433.9		401.7		14.0	2.0		16.1
1958	:	449.1		416.3		13.3	2.1		17.7
1959	:	479.5		444.3		14.3	2.3		18.4
1960	:	506.1		468.6		14.2	2.5		20.1
1961 4/	:	515.0		477.0		14.0	2.5		20.5

1/ Also includes ship stores and small tax-exempt categories.

2/ Includes Virgin Islands, Guam, American Samoa, Wake, and Canton and Enderbury Islands.

3/ Subject to revision

4/ Preliminary estimate.

Basic data but not the estimates compiled from reports of the Internal Revenue Service and the Bureau of the Census.

Table 2.--Cigarettes: Estimated output of nonfilter tip and filter tip by length, and percentage distribution, 1949-60

Year	Total output	Nonfilter tip				Filter tip			
		Total	Regular 70 mm.	Long 80 mm.	King 85 mm.	Total	Regular 70 mm.	Long 80 mm.	King 85 mm.
	Bil.	Bil.	Bil.	Bil.	Bil.	Bil.	Bil.	Bil.	Bil.
1949	385.0	383.7	357.2		26.5	1.3	1.3		
1950	392.0	389.8	353.3		36.5	2.2	2.2		
1951	418.8	415.8	364.6		51.2	3.0	3.0		
1952	435.5	429.9	353.4		76.5	5.6	5.0		0.6
1953	423.1	410.7	297.0		113.7	12.4	6.0		6.4
1954	401.8	364.9	253.3		111.6	36.9	6.9		30.0
1955	412.3	335.3	224.5		110.8	77.0	9.0	6.5	61.5
1956	424.2	307.3	203.9	2.6	100.8	116.9	7.1	17.9	91.9
1957	442.3	274.0	180.3	5.6	88.1	168.3	8.0	46.1	114.2
1958 <sup>1/</sup>	470.5	257.5	169.0	10.0	78.5	213.0	6.9	54.5	151.6
1959	489.9	251.1	159.0	5.8	86.3	238.8	5.5	48.2	185.1
1960 <sup>2/</sup>	506.9	249.0	151.5	2.9	94.6	257.9	3.6	46.9	207.4
Percentage distribution									
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
1949	100.0	99.7	92.8		6.9	0.3	0.3		
1950	100.0	99.4	90.1		9.3	.6	.6		
1951	100.0	99.3	87.1		12.2	.7	.7		
1952	100.0	98.7	81.1		17.6	1.3	1.2		0.1
1953	100.0	97.1	70.2		26.9	2.9	1.4		1.5
1954	100.0	90.8	63.0		27.8	9.2	1.7		7.5
1955	100.0	81.3	54.4		26.9	18.7	2.2	1.6	14.9
1956	100.0	72.4	48.1	0.6	23.7	27.6	1.7	4.2	21.7
1957	100.0	62.0	40.8	1.3	19.9	38.0	1.8	10.4	25.8
1958	100.0	54.7	35.9	2.1	16.7	45.3	1.5	11.6	32.2
1959	100.0	51.3	32.5	1.2	17.6	48.7	1.1	9.8	37.8
1960 <sup>2/</sup>	100.0	49.1	29.9	.6	18.6	50.9	.7	9.3	40.9

<sup>1/</sup>Data shown for 1958 are final figures from the Census of Manufactures; total production indicated by the Census is slightly above the 470.1 billion total reported by the Internal Revenue Service.

<sup>2/</sup> Preliminary estimates based largely on information made available by the major cigarette companies.

General note: Except for total output, 1949-57 data are approximate estimates based on unofficial source materials.

In 1960, exports of cigarettes to foreign countries totaled over 20 billion--3 percent above 1959 and the most since the unusual high of 1948. The 1960 exports had a total value of \$87 $\frac{1}{2}$  million, a record high. Exported cigarettes, which bear no Federal or State tax, averaged 8.6 cents for 20 in 1960, practically the same as in 1959 but 2 percent above 1958. In the past year in contrast to former years, Gibraltar became a substantial outlet for cigarettes exported from the U. S. Morocco and Venezuela have dropped out of the 10 leading outlets; with these two exceptions, there were sizable relative increases to leading destinations and to numerous "other" countries as a group. (See table 3.)

Table 3.--Cigarette exports from the United States to selected leading destinations for specified periods

Country	Average 1953-57	1958	1959	1960 <u>1/</u>	1960 as a percentage of 1959
	Millions	Millions	Millions	Millions	Percent
Gibraltar (Br.)	75	---	117	1,975	<u>2/</u>
Hong Kong	920	1,128	1,365	1,590	116
France	888	1,305	1,202	1,370	114
Singapore <u>3/</u>	614	905	933	1,251	134
Neth. Antilles	487	736	838	986	118
Belgium	690	1,030	890	933	105
Kuwait	310	514	628	820	131
Sweden	721	581	535	609	114
Netherlands	387	450	537	599	112
Italy	368	470	479	594	124
Morocco	1,678	2,107	2,392	415	17
Venezuela	1,800	2,507	2,260	116	5
Other countries <u>4/</u>	6,963	6,334	7,400	8,972	121
Total all countries	15,901	18,067	19,576	20,230	103

1/ Preliminary.

2/ Percentage increase exceeds 999.

3/ Includes Federation of Malaya

4/ Includes about 95 to 110 foreign destinations in recent years.



Table 4.--Tobacco products: Consumption per capita, 15 years and over,  
in the United States and by overseas forces, 1920-60 <sup>1/</sup>

Year	Cigarettes	Large cigars and cigarillos	Cigarettes <sup>2/</sup>	Large cigars and cigarillos <sup>2/</sup>	Smoking, chewing and snuff <sup>2/</sup>	Total tobacco products <sup>2/ 3/</sup>
	Number	Number	Pounds	Pounds	Pounds	Pounds
1920	611	117.0	1.89	2.41	4.34	8.67
1921	682	93.8	2.07	1.96	4.14	8.21
1922	707	96.0	2.14	2.13	4.28	8.58
1923	836	96.2	2.51	2.18	4.26	8.98
1924	901	88.9	2.70	2.03	4.07	8.83
1925	996	86.6	2.96	1.97	4.04	8.99
1926	1,093	85.2	3.17	1.97	3.87	9.03
1927	1,174	82.7	3.41	1.91	3.61	8.95
1928	1,254	80.5	3.57	1.89	3.45	8.92
1929	1,382	79.8	3.91	1.84	3.44	9.20
1930	1,365	71.5	3.84	1.66	3.34	8.85
1931	1,288	64.2	3.63	1.51	3.29	8.44
1932	1,147	52.3	3.21	1.23	3.19	7.64
1933	1,230	50.7	3.49	1.22	3.07	7.79
1934	1,368	52.9	3.94	1.27	3.11	8.33
1935	1,443	53.7	4.11	1.29	2.80	8.21
1936	1,618	57.2	4.61	1.39	2.81	8.82
1937	1,704	57.7	4.80	1.39	2.74	8.94
1938	1,688	55.4	4.76	1.30	2.68	8.75
1939	1,755	55.9	4.95	1.31	2.56	8.83
1940	1,828	56.3	5.17	1.35	2.60	9.13
1941	2,072	58.9	5.97	1.41	2.41	9.80
1942	2,400	58.8	7.03	1.40	2.27	10.70
1943	2,750	52.6	8.00	1.28	2.18	11.46
1944	2,832	49.2	8.04	1.21	1.96	11.21
1945	3,223	52.3	9.15	1.26	2.04	12.45
1946	3,228	56.0	9.23	1.36	1.58	12.17
1947	3,203	52.4	9.16	1.29	1.50	11.95
1948	3,293	53.0	9.35	1.30	1.46	12.11
1949	3,275	50.8	9.33	1.16	1.44	11.93
1950	3,322	50.1	9.37	1.18	1.41	11.96
1951	3,530	51.4	9.99	1.19	1.31	12.49
1952	3,664	53.4	10.42	1.26	1.25	12.93
1953	3,562	53.6	10.47	1.26	1.18	12.91
1954	3,344	52.3	9.74	1.22	1.16	12.12
1955	3,392	52.1	9.59	1.20	1.16	11.95
1956	3,441	51.2	9.31	1.11	1.06	11.48
1957	3,536	52.0	9.32	1.09	1.01	11.42
1958	3,707	53.7	9.53	1.02	1.00	11.56
1959	3,815	57.0	9.42	1.04	.96	11.44
1960 <sup>4/</sup>	3,908	56.9	9.57	1.02	.93	11.52

<sup>1/</sup> Includes Hawaii and Alaska for all years.

<sup>2/</sup> Unstemmed processing-weight equivalent.

<sup>3/</sup> Includes small cigars not shown separately.

<sup>4/</sup> Preliminary estimate.

Cigars and Cigarillos

In 1960, U. S. smokers (including those overseas) consumed 7,052 million cigars, compared with 6,985 million in 1959 and 6,505 million in 1958. The 1959 to 1960 increase was less than 1 percent in contrast with the 7 percent gain from 1958 to 1959. It seems likely that State taxes, and recessionary influences in the last half of 1960, may have limited the increase in cigar consumption. The repeal of the New York State tax on cigars, effective July 1, 1961, should have a favorable effect on cigar consumption during the last half of this year. Consumption of cigars and cigarillos in 1961 as a whole is expected to top last year's figure. The sources of cigars consumed by U. S. smokers are indicated in table 5.

In 1960 output of domestic factories was 6,768 million cigars, 2.4 percent above 1959 and the largest number since 1923. From 1903 to 1923, cigar production in domestic factories ranged between 6.5 and 8.1 billion and exceeded 7 billion annually 10 times during the first quarter of the century.

The 1960 cigar output of bonded manufacturing warehouses which turn out cigars made exclusively from Cuban tobacco was 223 million, 9 percent below the record high of 1959. There was a shift in operations of one establishment to the domestic factory category. Cigars from bonded manufacturing warehouses increased appreciably in the past 15 years. These establishments and some domestic factories as well have depended entirely on fine Cuban tobaccos and have sold their cigars at prices well above the U. S. average.

The 1960 shipments of cigars from Puerto Rico at near 200 million are sharply higher than in 1959 and the most since 1925. Cigar shipments from Puerto Rico had dwindled to practically nothing by the early 1950's; since then, with the establishment of modern cigar-making facilities, cigar shipments to the U. S. have risen strikingly.

Imported cigars come mainly from Cuba and the Philippine Republic. The 1960 imports of cigars from all sources totaled 32 million, 3 percent above 1959. Slightly fewer came from Cuba, the source of nearly three-fourths of our total cigar imports. Cigar imports from the Philippine Republic at 5½ million in 1960 exceeded any other postwar year, but were far below the 200 million level of 1939 and 1940.

In the past 3 years cigars (including cigarillos) retailing at 8 cents or less have gained an increased share of the market. In 1960, they accounted for about 60½ percent of all cigars sold in the United States compared with about 56 percent in 1958. Cigars retailing for 8.1-15.0 cents in 1960 accounted for about 33.4 percent compared with 38 percent in 1958. Cigars selling for more than 15 cents, comprising a little over 6 percent of the total, held only a slightly smaller share of the market than in 1958.

Table 5.--Large cigars and cigarillos: Output and consumption for specified periods

Period	Domestic factories			Bonded : Shipments : manufac- : from : turing : Puerto : : warehouse : Rico : : Taxable : to the : removals : United : : States :	Imports for : consumption :		Exports :	Total : consump- : tion :
	Manufac- : tured :	Removals : Tax- : Tax- : able : exempt :			Total : 1/ :	From : Cuba :		
	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.	Mil.
Average:								
1935-39	5,075	5,060	13	66	29	192	3	8
1940-44	5,450	5,282	199	105	11	94	15	9
1945	5,275	4,774	469	82	97	60	60	2
1946	5,618	5,621	26	125	69	22	20	3
1947	5,488	5,460	41	124	8	12	9	19
1948	5,645	5,588	38	140	4	12	10	13
1949	5,453	5,399	46	142	4	11	10	3
1950	5,399	5,365	47	160	3/	12	11	2
1951	5,594	5,518	85	177	3/	14	13	3
1952	5,825	5,755	102	196	1	15	12	3
1953	5,915	5,820	90	205	9	17	13	6
1954	5,820	5,690	89	206	47	16	12	8
1955	5,776	5,688	82	227	83	20	15	6
1956	5,767	5,633	72	230	94	23	18	9
1957	5,903	5,757	79	238	122	26	20	9
1958	6,225	6,020	87	240	139	28	22	9
1959	6,608	6,470	103	247	144	31	24	10
1960 4/	6,768	6,511	105	217	198	32	23	11
Fiscal year								
Year end- ing June								
1957	5,780	5,652	74	234	100	24	18	8
1958	5,952	5,838	80	238	131	26	21	10
1959	6,507	6,408	101	254	142	34	27	10
1960	6,786	6,456	100	241	153	27	20	11
1961 5/	6,700	6,500	107	200	220	29	20	11

1/ Predominant share of imports prior to 1942 came from **Philippine Islands**.

2/ Total removals from domestic factories plus cigars from bonded manufacturing warehouses, from Puerto Rico and imports minus exports.

3/ Less than a half million.

4/ Subject to revision; exports are estimated.

5/ Preliminary estimates.

Basic data but not estimates compiled from reports of the Internal Revenue Service and the Bureau of the Census.



Table 6.--Cigars weighing not more than 3 pounds per thousand (approximately cigarette size): Output and removals for specified periods

Period	Output	Factory removals		
		Total	Taxable	Tax-exempt
	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>	<u>Millions</u>
Average:				
1935-39	173.3	174.4	174.4	Neg.
1940-44	132.7	134.9	134.4	0.5
1945	98.2	100.2	100.2	Neg.
1946	92.3	90.8	90.8	Neg.
1947	79.7	80.6	80.6	Neg.
1948	89.1	89.6	89.5	.1
1949	83.5	83.7	83.7	Neg.
1950	68.9	69.2	69.1	.1
1951	69.2	68.6	68.2	.4
1952	67.1	67.4	66.9	.5
1953	58.3	56.9	56.7	.2
1954	61.2	52.9	60.3	2.6
1955	58.7	57.8	57.0	.8
1956	63.6	59.5	58.9	.6
1957	49.0	49.1	48.8	.3
1958	170.0	160.0	159.7	.3
1959	530.1	505.5	481.6	23.9
1960	148.7	158.7	141.9	16.8
1959-60				
July-January	80.8	73.6	54.5	19.1
1960-61				
July-January	79.8	90.2	82.2	8.0

Compiled from reports of Internal Revenue Service.

In 1960, cigar and cigarillo consumption per capita, 15 years and over, was 56.9, practically the same as in 1959 but above each previous year since 1942. The unstemmed equivalent of tobacco consumed in cigars per capita at about 1 pound is estimated at slightly less than in 1959 and accounted for about 9 percent of per capita consumption of all tobacco products. (See table 4.)

Output of small cigars (cigarette size) totaled 149 million in 1960, sharply lower than the unusually high 530 million in 1959. Total factory removals in 1960 at 159 million were partly from inventories held at the close of 1959. Though consumption of small cigars has fallen sharply from the extraordinary boom level of 1959, it appears to be holding at roughly three times the low 1955-58 average level. (See table 6.)

Exports of all cigars totaled about 21 million in 1960,  $2\frac{1}{2}$  million less than in 1959. Probably close to half of these were cigarette-size cigars. It is estimated that 10 or 11 million large cigars and cigarillos were exported, not much different than in 1959. Principal outlets for large cigars were Canada, the Bahamas and Bermuda; for cigarette-size cigars, apparently Australia, Union of South Africa, and Hong Kong are leading destinations.

### Smoking Tobacco

Production of smoking tobacco for pipes and "roll-your-own" cigarettes in 1960 was about  $73\frac{3}{4}$  million pounds--slightly above 1959 but 3 percent below 1958. Output was approximately a third smaller than 10 years ago. Smoking tobacco is a secondary outlet for the cigarette types, particularly burley.

Taxable removals of smoking tobacco at 71.3 million pounds were little changed from 1959. Indications are that less tobacco for "roll-your-own" cigarettes may have been used. In 1960, taxable cigarette papers, estimated to comprise almost half of all cigarette papers, were 5 percent below the preceding year.

According to Bureau of Labor Statistics data, wholesale prices of smoking tobacco have held steady since January 1960, when they were advanced 3 percent.

Imports for consumption of manufactured tobacco (presumably almost entirely smoking tobacco), which have risen sharply since 1957, continued to gain in 1960. At about 918,000 pounds, they were a third larger than in 1959. The total value of these imports was \$1,180,000, an average of \$1.29 per pound. The duty applicable to imported manufactured tobacco is  $17\frac{1}{2}$  cents a pound. Principal countries of origin were Netherlands, which furnished over 75 percent of the total, and United Kingdom, which provided 15 percent.

Table 7.--Output of manufactured tobacco in the United States for specified periods

Period	Smoking	Chewing					Snuff
		Plug	Twist	Fine-cut	Scrap	Total	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average							
1935-39	195.3	56.8	6.0	4.8	43.8	111.4	37.3
1940-44	176.2	54.8	6.0	4.6	47.9	113.3	40.7
1945	168.5	59.7	6.7	4.0	47.7	118.1	43.8
1946	106.4	51.8	5.8	3.8	46.1	107.5	39.4
1947	104.7	47.3	5.2	3.8	42.2	98.5	39.2
1948	107.6	45.3	5.6	3.2	42.1	96.2	40.8
1949	108.1	41.9	5.6	2.8	39.6	89.9	40.9
1950	107.7	40.3	5.5	2.7	39.0	87.5	40.0
1951	101.3	39.9	4.6	2.8	39.1	86.4	39.5
1952	96.8	39.1	4.8	2.8	38.2	84.9	38.8
1953	86.6	38.1	4.7	2.9	38.1	83.8	39.1
1954	83.7	36.9	4.9	2.9	36.6	81.3	38.5
1955	80.0	36.5	4.5	3.0	36.0	80.0	39.2
1956	71.5	33.0	4.3	2.9	35.5	75.7	37.7
1957	70.5	31.6	4.0	2.8	34.0	72.4	36.1
1958	76.0	29.6	3.8	2.9	33.0	69.3	34.8
1959	73.2	28.6	3.6	3.0	33.0	68.2	34.3
1960 <u>1/</u>	73.8	26.4	3.4	3.1	32.0	64.9	34.6
Fiscal year							
Year ending June							
1957	68.9	32.3	4.1	2.8	34.3	73.5	36.5
1958	75.0	30.2	3.9	2.8	33.3	70.2	34.8
1959	74.8	29.5	3.6	3.0	32.5	68.6	34.6
1960	73.8	27.5	3.6	3.1	32.7	66.9	35.3
1961 <u>2/</u>	74.5	25.5	3.2	3.1	31.7	63.5	34.0

1/ Subject to revision. 2/ Preliminary estimate.

Basic data but not the estimates compiled from reports of the Internal Revenue Service.



Table 8.--Selected tobacco products: Consumption per capita, 15 years and over, in the United States and by overseas forces, 1920-60 1/

(Finished-product weight)

Year	:	Smoking	:	Chewing	:	Snuff
	:		:		:	
	:	Pounds	:	Pounds	:	Pounds
1920	:	1.95	:	3.06	:	.50
1921	:	1.99	:	2.69	:	.48
1922	:	2.21	:	2.79	:	.51
1923	:	2.04	:	2.79	:	.51
1924	:	2.14	:	2.58	:	.50
1925	:	2.10	:	2.56	:	.47
1926	:	2.04	:	2.50	:	.47
1927	:	1.92	:	2.34	:	.48
1928	:	1.83	:	2.23	:	.48
1929	:	1.81	:	2.12	:	.47
1930	:	1.87	:	1.90	:	.46
1931	:	2.05	:	1.65	:	.45
1932	:	2.13	:	1.32	:	.40
1933	:	2.11	:	1.24	:	.40
1934	:	2.08	:	1.23	:	.40
1935	:	2.05	:	1.22	:	.39
1936	:	2.04	:	1.21	:	.40
1937	:	1.96	:	1.19	:	.39
1938	:	2.05	:	1.09	:	.39
1939	:	2.05	:	1.03	:	.39
1940	:	2.05	:	1.00	:	.38
1941	:	1.93	:	1.03	:	.39
1942	:	1.67	:	1.10	:	.40
1943	:	1.49	:	1.11	:	.42
1944	:	1.36	:	1.18	:	.40
1945	:	1.59	:	1.09	:	.41
1946	:	.99	:	1.03	:	.37
1947	:	.96	:	.89	:	.36
1948	:	.98	:	.86	:	.37
1949	:	.97	:	.80	:	.37
1950	:	.94	:	.78	:	.36
1951	:	.88	:	.75	:	.35
1952	:	.83	:	.74	:	.34
1953	:	.72	:	.74	:	.34
1954	:	.69	:	.72	:	.33
1955	:	.66	:	.68	:	.33
1956	:	.63	:	.60	:	.32
1957	:	.59	:	.59	:	.30
1958	:	.56	:	.63	:	.29
1959	:	.55	:	.60	:	.27
1960 <u>2/</u>	:	.52	:	.59	:	.28

1/ Data on this table have been revised to include Hawaii and Alaska for all years.2/ Preliminary estimate.

Exports of packaged smoking tobacco in 1960 amounted to 908,000 pounds, valued at \$1,336,000. Volume was up 37 percent from 1959 and its declared value, 44 percent. Most of the more important outlets increased takings substantially. Exports to Canada, single largest market, rose by more than a third. Larger shipments than in 1959 also went to Denmark (which almost tripled takings), Australia, Iceland, France, United Kingdom and Sweden. Numerous other foreign outlets accounted for the rest.

Most exports of manufactured tobacco in bulk are not included in the Internal Revenue Service output figures for smoking tobacco. This category includes specially prepared cigarette tobacco, cut or granulated tobacco, partially processed blended tobacco, and shredded tobacco. The 1960 exports of manufactured tobacco in bulk form totaled about  $7\frac{3}{4}$  million pounds, 9 percent less than the record  $8\frac{1}{2}$  million shipped out in the preceding year. The declared value of these exports in 1960 was \$7,409,000--about  $1\frac{1}{2}$  percent less than in 1959. Venezuela and Mexico were the top ranking markets, each accounting for approximately a sixth of the total. Venezuela, which is expanding local production of cigarettes, increased takings to 1.3 million pounds from only 139,000 in 1959, and Mexico's takings more than doubled from .6 to 1.3 million pounds. Exports substantially larger than in 1959 also went to Panama, Switzerland, Bolivia, and Ecuador. On the other hand, Australia and Haiti cut takings by about a fourth and a fifth, respectively, and moderately less than in 1959 went to Dominican Republic. None was reported as going to Spain, leading foreign outlet in 1959. However, under P. L. 480 purchase authorizations issued in the last half of 1960, it is expected that manufactured tobacco in bulk will be exported to Spain this year.

### Chewing Tobacco

The 1960 output of chewing tobacco totaled about 65 million pounds--5 percent less than in 1959 and a new low. Output was around a fourth less than 10 years ago and equal to little more than half of what it was 15 years ago. The downtrend in manufacture is likely to continue in 1961 and the years ahead.

Compared with 1959, the decline in plug chewing was steeper than in scrap chewing. Output of scrap chewing--comprising 49 percent of total chewing--fell 1 million pounds or 3 percent. Plug chewing--accounting for 41 percent of the total--dropped about 2 million pounds or 7 percent. Scrap chewing utilizes significant quantities of cigar binder tobacco, while plug chewing utilizes mainly the dark air-cured types and burley.

Smaller categories of chewing tobacco are twist and fine-cut, and these made up the remaining 10 percent of 1960 production. Output of twist declined moderately but that of fine-cut gained a little.

According to the Bureau of Labor Statistics wholesale price index through January, manufacturers' prices of plug chewing have remained steady since increases were made in the first quarter of 1959.

Only a small fraction of the output of chewing tobacco is exported -- mainly twist and plug. Exports in 1960 totaled 783,000 pounds, a fourth below the previous year. The declared value of 1960 exports was \$652,000--31 percent less than in 1959. Australia, accounting for nearly 60 percent of the total volume, reduced takings by a third, and none went to Philippine Republic, which received a sizable quantity in 1959. Panama increased takings moderately.

### Snuff

The 1960 output of snuff, a little over  $34\frac{1}{2}$  million pounds, was slightly above 1959. Although small, the gain was in contrast to steady declines in the 4 preceding years, during which production fell about 5 million pounds or an eighth. Comparatively little change is expected in snuff production this year. Snuff is the principal domestic outlet for the fire-cured types.

Virtually the entire output of snuff is consumed domestically. Consumption in 1960, as measured by taxable removals, rose by 1 million pounds to 34.7 million. In the 10 years prior to 1956, aggregate consumption of snuff varied between 39 million and 41 million pounds annually.

Based on the Bureau of Labor Statistics wholesale price index through January, manufacturers' prices of snuff have remained unchanged since mid-1957.

### EXPORTS OF UNMANUFACTURED TOBACCO FROM THE UNITED STATES 1/

In calendar 1960, exports of unmanufactured tobacco totaled 495 million pounds (equivalent to 556 million, farm-sales weight)--about  $6\frac{1}{2}$  percent more than in 1959, when they were lowest in 5 years. Last year's November exports were second largest for that month on record. The declared value of exports in 1960 was \$378 million--9 percent above 1959 and an all-time high. In the 10 years 1949-58, exports averaged 490 million pounds, worth \$312 million. (The declared value of manufactured tobacco exports in 1960 was also the highest ever recorded, due to record valuation of cigarette exports. See table 9.)

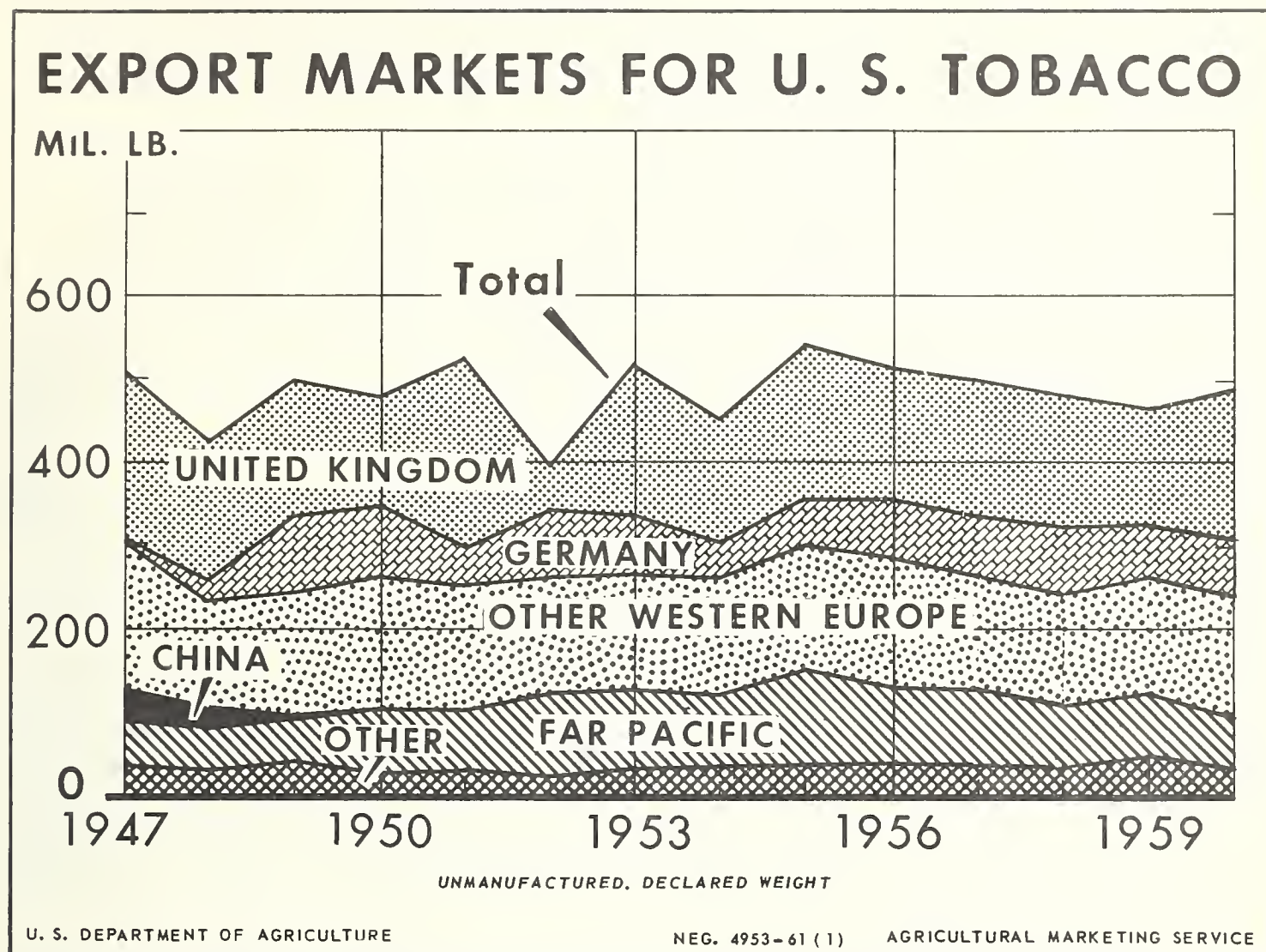
Last year, flue-cured made up 82 percent of total unmanufactured tobacco exports, compared with 80 percent in 1959. Burley and fire-cured comprised about 7 percent and 5 percent of the total, respectively, about the same as in the previous year.

The increase in 1960 exports was mainly attributable to a rise in flue-cured shipments. Last year's flue-cured exports exceeded 1959 by 9 percent, although they were still 1 percent below the 1954-58 average. The United

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1/ Quantities of tobacco in this section are stated in terms of export weight which is less than the equivalent farm-sales weight.





After declining for 4 years, exports of unmanufactured tobacco in 1960 rose to 495 million pounds (equivalent to 556 million pounds, farm-sales weight)-- $6\frac{1}{2}$  percent above 1959 and 1 percent above the 1949-58 average. The United Kingdom boosted takings over a fourth to the largest since 1955, and exports to Germany increased 6 percent. Exports to "Other Western Europe" were moderately larger, due mainly to increased shipments to the Netherlands, Sweden, Ireland, Portugal and Norway; exports to Belgium, Denmark, Italy and Finland were lower than in 1959, and to Spain, were negligible.

Among the Far Pacific countries, Japan took a record large quantity but a little less than in 1959 went to Australia and substantially less to New Zealand, Thailand, Viet Nam, Hong Kong, Philippine Republic, and Indonesia.

Kingdom took the largest quantity in 5 years. Among other countries that took more than in 1959 were West Germany, the Netherlands, Japan, Ireland, Sweden, Portugal and Norway. Australia and Belgium took a little less than in 1959; countries receiving substantially less included Egypt, Denmark, Thailand, New Zealand, Finland, Italy and Uruguay.

Burley exports in 1960 were 5 percent above 1959, and were largest in 10 years. Gains in consignments to West Germany, Sweden, the Netherlands, Finland and Australia more than offset decreases to Mexico, Italy, Portugal and Denmark. Exports of Maryland fell nearly a fifth below the 1959 high of over 30 years. Exports of Virginia fire-cured and Kentucky-Tennessee fire-cured each rose 5 percent. There was a sharp drop in shipments of One Sucker, but little change in those of Green River; exports of Black Fat declined moderately. Exports of cigar leaf fell by 30 percent, with all three categories--wrapper, binder and filler--sharing in the decline.

The United Kingdom, leading foreign market for U. S. tobacco, accounted for 36 percent of total 1960 exports, boosting takings more than a fourth to the largest since 1955. Tobacco exported to Britain under the U. S. barter program (see page 24) contributed significantly to the increase. West Germany, second ranking market, took 7 percent more than in 1959. Exports to the Netherlands, ranking third, jumped by 61 percent and were the highest since 1947. Australia, ranking fourth, reduced takings a little. Exports to Belgium, ranking fifth, declined 7 percent below 1959, but were still above those in each of the 2 preceding years. Japan ranked sixth, taking 57 percent more than in 1959 and the most for any year on record. Among other countries of destination, Sweden, Ireland, Portugal and Norway received more, and Denmark, substantially less, than in 1959. Exports to Switzerland were not much different than in the previous year.

In 1960, exports of tobacco under Title I, Public Law 480 amounted to 31 million pounds -- about 6 percent of total unmanufactured tobacco exports. This was a reduction from 1959, when about  $55\frac{3}{4}$  million pounds -- 12 percent of the total -- were shipped. Exports of tobacco under Title I, P. L. 480 since 1955 are shown below:

<u>Year</u>	<u>Million pounds</u>	<u>Percentage of unmanufactured tobacco exports</u>
1955	43.8	8.1
1956	71.1	13.9
1957	35.7	7.1
1958	37.9	7.9
1959	55.7	12.0
1960	31.2	6.3

From 1955--the first year in which P. L. 480, Title I exports of tobacco were made--through December 31, 1960, 298 million pounds of tobacco, worth \$218

Table 9.--U. S. exports of unmanufactured and manufactured tobacco, quantity and value, 1919-60

Year	Unmanufactured		Manufactured				Unmanufactured plus manufactured
	Quantity	Value	Cigarettes		Other 1/	All mfg'd	Total Value
			Quantity	Value	Value	Value	
	Mil. lb.	Mil. dol.	Billion	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.
1919	777	260	16	38	9	47	307
1920	480	246	16	36	7	43	289
1921	523	205	9	17	4	21	226
1922	442	146	11	24	3	27	173
1923	497	153	12	23	3	26	179
1924	575	164	10	19	3	22	186
1925	477	154	8	15	2	17	171
1926	487	137	10	18	3	21	158
1927	512	140	7	14	3	17	157
1928	584	154	12	22	3	25	179
1929	566	145	8	17	3	20	165
1930	580	146	5	10	2	12	158
1931	524	111	3	7	2	9	120
1932	411	66	2	5	2	7	73
1933	439	83	2	5	2	7	90
1934	441	125	3	6	2	8	133
1935	396	134	4	7	1	8	142
1936	425	137	5	9	2	11	148
1937	435	135	6	11	2	13	148
1938	489	156	6	12	2	14	170
1939	358	77	7	13	2	15	92
1940	236	44	7	11	2	13	57
1941	270	65	8	14	3	17	82
1942	238	68	3	7	3	10	78
1943	393	170	4	9	3	12	182
1944	280	146	8	21	2	23	169
1945	472	239	7	16	2	18	257
1946	663	352	24	58	4	62	414
1947	507	271	23	59	3	62	333
1948	427	215	25	68	5	73	288
1949	498	252	20	53	3	56	308
1950	478	251	14	45	2	47	298
1951	522	326	17	53	4	57	383
1952	396	246	16	55	4	59	305
1953	519	341	16	58	6	64	405
1954	454	304	15	57	6	63	367
1955	540	356	15	56	7	63	419
1956	510	334	16	59	7	66	400
1957	501	359	17	68	6	74	433
1958	482	354	18	77	9	86	440
1959	466	346	20	84	10	94	440
1960 <sup>2/</sup>	495	378	20	87	10	97	475

1/ Cigars; chewing and snuff; smoking in packages; smoking in bulk.

<sup>2/</sup> Preliminary.



Table 10.--United States exports of unmanufactured tobacco by types and to principal importing countries for specified periods

(Declared weight)

Country and type	Average 1953-57	1958	1959	1960 <u>1/</u>	July-January		
					1959-60 <u>1/</u>	1960-61 <u>1/</u>	1960-61 as percentage of 1959-60
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Percent
Flue-cured	422.7	398.0	373.7	407.8	277.5	316.9	114
Burley	27.2	28.8	31.9	33.6	21.5	20.6	96
Maryland	10.2	12.1	14.4	11.4	9.5	8.3	87
Va. fire-cured and sun-cured	4.4	4.6	4.9	5.1	3.1	3.4	110
Ky. and Tenn. fire-cured	21.6	19.7	17.8	18.8	11.1	12.5	113
Green River	1.7	1.2	.8	.8	.3	.2	67
One Sucker	1.7	.9	2.4	.3	.7	.1	14
Black Fat, etc.	4.6	4.9	4.9	4.5	3.1	2.6	84
Cigar wrapper	4.0	4.7	4.0	3.3	1.9	1.7	89
Cigar binder	2.7	2.0	3.2	1.9	1.5	1.2	80
Cigar filler	.4	.6	1.0	.5	.4	.1	25
Perique	.1	.1	.1	.1	.1	.1	100
Stems, trimmings, and scrap	3.5	4.2	6.5	7.1	5.4	6.2	115
Total	504.8	481.8	465.6	495.2	336.1	373.9	111
Country of destination							
United Kingdom	167.3	160.4	139.7	176.0	124.8	158.7	127
France	7.8	8.1	5.8	5.2	3.0	2.3	77
Belgium	17.8	14.5	20.1	18.6	13.2	12.9	98
Netherlands	34.4	22.8	24.9	40.0	16.4	29.2	178
Germany, W. and E.	62.7	81.7	63.6	67.5	35.5	33.6	95
Portugal	7.0	7.1	6.4	8.7	4.0	4.4	110
Denmark	11.9	11.9	15.0	12.4	9.8	8.4	86
Ireland	12.6	13.5	10.0	13.2	8.4	11.5	137
Switzerland	12.5	10.4	11.2	11.1	7.8	7.5	96
Norway	7.7	7.5	6.9	8.0	3.7	5.2	141
Sweden	12.1	11.6	10.3	17.4	10.0	17.6	176
Italy	5.2	7.2	10.4	5.0	3.7	2.1	57
Thailand	8.4	9.2	11.8	4.6	7.6	2.4	32
Australia	29.6	26.3	20.4	20.0	16.1	14.4	89
India	1.9	3.0	2.0	.6	<u>2/</u>	.1	---
Pakistan	2.4	.3	.8	1.6	.4	1.1	275
New Zealand	6.7	6.3	7.3	4.8	3.3	3.9	118
Philippine Rep.	12.9	5.0	4.1	1.2	3.7	.4	11
Indonesia	12.5	1.7	2.4	.2	1.6	.2	12
Egypt	6.9	8.4	16.2	12.8	16.9	12.9	76
Japan	8.6	11.2	11.6	18.2	7.3	12.8	175
Other countries	55.9	53.7	64.7	48.1	38.9	32.3	83
Total	504.8	481.8	465.6	495.2	336.1	373.9	111

1/ Preliminary. 2/ Less than 50,000 pounds.

Compiled from publications and records of the Bureau of the Census.

Table 11.--Tobacco exports under P.L. 480, Title I program and totals by countries, calendar years 1956-60

(Export weight)										
Country	1956 exports		1957 exports		1958 exports		1959 exports		1960 exports	
	P.L. 480, Title I	Total	P.L. 480, Title I	Total	P.L. 480, Title I	Total	P.L. 480, Title I	Total	P.L. 480, Title I	Total
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Austria	4.9	9.0	0.3	1.7	1.5	4.8	0	3.4	0	3.5
Brazil	.1	.1	0	0	.1	.1	0	0	.1	.1
Burma	.7	.7	1.4	1.4	.4	.4	.1	.3	.5	.6
Chile	.2	.2	.1	.1	0	.4	0	.3	.2	.7
Colombia <u>1/</u>	0	.7	0	.4	.5	.9	0	.7	.5	.8
Ecuador <u>2/</u>	.3	.3	.1	.2	.1	.3	0	.3	0	.4
Finland	5.4	6.4	2.1	4.2	5.0	5.3	5.0	7.1	4.3	5.2
France	0	6.4	3.1	7.5	6.8	8.1	2.2	5.8	1.5	5.2
Iceland <u>3/</u>	0	.6	.4	.4	.4	.6	.5	.6	.5	.6
India	0	1.7	1.1	4.3	3.0	3.0	2.0	2.0	.5	.6
Indonesia	13.6	17.8	10.0	11.5	.5	1.7	.2	2.4	0	.2
Israel	.3	.4	<u>4/</u>	.5	.2	.3	.3	.3	.3	.5
Italy	3.3	6.6	4.4	4.8	3.8	7.2	7.3	10.4	3.0	5.4
Japan	3.2	5.8	0	3.6	0	11.2	0	11.6	0	18.2
Korea	6.1	6.1	2.4	2.5	0	0	0	0	0	0
Pakistan	2.4	2.7	1.7	2.9	0	.3	0	.8	1.1	1.6
Poland	0	0	0	0	0	0	0	0	1.6	1.6
Spain <u>5/</u>	4.9	5.8	2.5	2.8	6.4	7.4	11.3	11.4	.5	.7
Taiwan	1.5	3.7	.5	2.1	2.0	2.7	1.2	2.3	1.9	2.2
Thailand	0	8.8	2.4	12.9	.4	9.2	0	11.8	0	4.6
U.A.R. (Egypt)	0	6.2	0	7.5	0	8.4	13.3	16.2	10.5	12.8
United Kingdom	24.2	156.4	3.2	166.5	3.1	160.4	0	139.6	0	176.0
Uruguay <u>3/</u>	0	3.1	0	3.0	0	1.3	7.0	7.3	0	2.4
Viet Nam <u>6/</u>	0	8.0	0	5.4	3.7	4.8	5.3	5.3	<u>7/</u> 4.2	3.8
Total, above countries	71.1	257.5	35.7	246.2	37.9	238.8	55.7	239.9	31.2	247.7
Total, all countries <u>8/</u>		510.4		501.0		481.8		465.6		495.2

1/ Mainly tobacco in cigarettes.

2/ Includes manufactured tobacco in bulk form.

3/ Includes cigarettes and manufactured tobacco in bulk form.

4/ Less than 50,000 pounds.

5/ Includes manufactured tobacco in bulk form and in 1959 and 1960, cigarettes.

6/ Prior to January 1, 1958, Viet Nam-Laos-Cambodia. Includes manufactured tobacco in bulk form.

7/ P.L. 480 exports exceed Census-reported total probably because of difference in cut-off date of reporting periods.

8/ Unmanufactured tobacco.

million were authorized. The quantity actually exported was  $275\frac{1}{2}$  million pounds, worth  $\$197\frac{1}{2}$  million, leaving  $22\frac{1}{2}$  million pounds yet to be shipped. Additional agreements providing for the sale of tobacco are being negotiated.

Under Title I of the Agricultural Trade Development and Assistance Act (referred to as Public Law 480), sales of agricultural commodities are made for foreign currencies. The expiration date of Title I is December 31, 1961 according to present legislation, and funds available for this year totaled  $\$1\frac{1}{2}$  billion. The President has requested that Congress authorize an additional  $\$2$  billion for 1961 for Title I sales, and to extend the Act for 5 years. Bills providing additional funds are being considered by Congress.

Tobacco is also exported under Title III of P. L. 480, which provides for barter of agricultural commodities for strategic and other materials for stockpiling. Barter sales of tobacco have risen sharply in the past 2 years, increasing from around a half-million pounds in 1958 to  $19\frac{1}{2}$  million in 1959, and further to nearly  $27\frac{1}{2}$  million pounds, valued at  $\$21$  million, in 1960. Nearly four-fifths of last year's barter volume went to the United Kingdom, with sizable quantities also going to Ireland and Belgium.

U. S. exports of tobacco in 1961 may be a little below those of 1960. While several factors continue to favor tobacco exports, these are offset by unfavorable influences. Favoring our tobacco exports are the rising consumption of cigarettes abroad, large gold and dollar reserves and relatively high economic activity in many importing countries, removal by the United Kingdom of financial restrictions on purchase of dollar tobacco, and last year's change in the method of determining support prices for U. S. tobacco, which should help to maintain stable prices. Offsetting these, however, are the improved stocks position of several major importing countries, increased production in some competitive foreign areas, and various barriers to U. S. tobacco imports (enumerated in the section that follows) existing in many foreign markets.

#### Common Market Import Duties on Tobacco

For many years, U. S. tobacco has faced a number of obstacles in world markets. These include: (1) High import duties in many countries, (2) preferential import duties, notably the preference equivalent to  $21\frac{1}{2}$  cents per pound granted by the United Kingdom on tobacco of Commonwealth origin, (3) bilateral trade agreements, such as those entered into by Turkey and Greece--principal producers and exporters of oriental tobacco, (4) mixing regulations, whereby manufacturers in some countries are granted certain financial concessions by their governments to encourage use of domestic tobacco, (5) purchase agreements, such as the one currently in force which virtually guarantees an annual market in the United Kingdom for at least 90 million pounds of Rhodesian flue-cured, and (6) other restrictions, as monopoly practices, licensing and exchange controls, and import quotas.



A more recent development that may adversely affect U. S. tobacco exports is the tariff structure on tobacco agreed upon by the European Economic Community (Common Market)--West Germany, the Netherlands, Belgium, Luxembourg, France and Italy. The 6 member countries together took 136 million pounds of U. S. tobacco in 1960--over a fourth of the total--and as a group rank second only to the United Kingdom as a foreign market for our leaf. Tariff arrangements concluded under the Common Market agreement concern (1) the progressive lowering of import duties among member countries with the aim of eventually eliminating internal duties, and (2) the establishment of a common external tariff on tobacco to replace those in effect in the individual member states.

Steps have already been taken to implement the first objective. Import duties on tobacco in the 4 countries which have such duties--West Germany, the Netherlands, Belgium and Luxembourg--have been lowered a total of 20 percent in two successive reductions of 10 percent each. Thus on tobacco of Common Market origin (including that imported from associated overseas territories) the duty in West Germany has been lowered from the equivalent of about 20.6 cents a pound to 16.5 cents (conversion based on the recent revaluation of the mark); and in Belgium, the Netherlands and Luxembourg (the Benelux Customs Union), the reduction was from 3.8 cents to 3 cents a pound. In France and Italy, countries where most phases of the tobacco industry are controlled by the Government Monopolies, imported tobacco is admitted duty-free.

Agreement has been secured on the establishment of a common external tariff on tobacco. Under this agreement, there will be an ad valorem duty of 30 percent, to be imposed in gradual steps, but with a minimum of \$29 per 100 kilograms (equivalent to 13.2 cents per pound) and a maximum of \$42 per 100 kilograms (19.1 cents per pound). This common external tariff will replace the specific duties now in effect in West Germany (20.6 cents per pound) and the Benelux countries (3.8 cents), and will terminate the duty-free status of external tobaccos in France and Italy. At this writing, the common external tariff has not been placed in effect. In discussions currently under way in Geneva under GATT (General Agreement on Tariffs and Trade), the United States is seeking modification of the external tariff to accord U. S. tobacco more favorable treatment.

Under the tariff as now formulated, U. S. tobacco will be placed at a disadvantage from several standpoints. The eventual elimination of internal tariffs on tobacco in West Germany and the Benelux countries will favor tobacco from Italy (a surplus producer) and from associated overseas territories of member countries, such as Malagasy Republic (formerly Madagascar) and Algeria. These tobaccos will eventually be marketed free of duty in the Common Market. With the reductions already made, Italian and other tobacco of Common Market origin presently enjoy a 20-percent lower duty than U. S. and other external tobaccos.

The ad valorem duty to be imposed on external tobaccos will generally result in a higher duty on U. S. tobacco than on Rhodesian and other tobacco as U.S. leaf shipped to Common Market countries usually is higher priced. As the

minimum duty is set at the equivalent of 13.2 cents a pound, tobacco costing less than 44 cents will be subject to this minimum rate. All tobacco costing 64 cents or more will be subject to a duty of 19.1 cents--the maximum rate. A substantial part of U. S. tobacco entering the Common Market is priced at more than 64 cents a pound and hence would be subject to the maximum rate. Illustrative of the disadvantageous position in which this places U. S. tobacco is the fact that the average value of Rhodesian leaf exported to Common Market countries in 1959 ranged from the equivalent of 21 cents to 36 cents per pound. On much of this tobacco, the minimum duty of 13.2 cents a pound would be paid under the agreed-upon tariff structure, compared with about 19 cents for a substantial part of U. S. leaf. In both 1959 and 1960, the average tariff incidence on all U. S. unmanufactured tobacco exported to the Common Market countries was a little over 11 cents a pound, equivalent to about 17 percent ad valorem.

The possible association of Turkey and Greece with the Common Market could eventually make tobacco imported from these countries duty-free. Both Turkey and Greece provide substantial quantities of oriental tobacco to the Common Market countries, and are particularly important as suppliers to West Germany, second ranking foreign outlet for U. S. tobacco. A light cigarette tobacco, oriental competes with U. S. types, and is often used with U. S. tobaccos to produce American-type blended cigarettes.

#### Major Foreign Countries Exporting Tobacco

U. S. flue-cured meets competition in world markets mainly from flue-cured grown in the Federation of Rhodesia and Nyasaland, and Canada and India. Greece and Turkey are the principal producers and exporters of oriental tobacco.

The current flue-cured crop of Rhodesia-Nyasaland is estimated at a record 235 million pounds, compared with 222 million produced in 1960. Auctions for the Rhodesian crop opened March 14, a few weeks earlier than in 1960, when the opening date was delayed owing to a late growing season. Last year, 218 million pounds of Rhodesian tobacco were sold at auction at a price that averaged the equivalent of 39.9 U. S. cents per pound. The United Kingdom purchased a record 109 million pounds from 1960 offerings, almost half of the entire Federation flue-cured crop. The purchase agreement between Rhodesia and the United Kingdom called for minimum purchases of 90 million pounds. It is reported that United Kingdom manufacturers have raised their estimated purchase requirements of Rhodesian leaf to 95-100 million pounds a year for 1961-63, provided that quality and price are acceptable. On the other hand, Australia, which purchased around 11 million pounds of Rhodesian leaf on last year's auctions, may reduce takings because of increasing domestic production.

Exports of tobacco from the Federation of Rhodesia and Nyasaland in 1960 were a record high--192 $\frac{1}{2}$  million pounds (dry weight). This was almost a tenth more than in 1959. Of last year's total exports, 86 percent consisted of flue-cured, and the bulk of the remainder, dark fire-cured. The United Kingdom, accounting for over half of the total, took 11 percent more than in the preceding year. Exports to other Commonwealth destinations accounted for about



a sixth of the total, with Australia increasing takings a little. Major markets in Western Europe and the quantities they took are as follows: Germany, 19 million pounds; Netherlands,  $14\frac{1}{2}$  million; Belgium, 8 million; Denmark,  $2\frac{1}{3}$  million and Norway, 2 million. All but Denmark increased takings substantially over those in 1959; exports to Denmark declined a little. Other West European countries receiving significant quantities of Rhodesian leaf included Switzerland, Portugal, Sweden, and Finland. Over 1 million pounds--all flue-cured--went to Japan, in contrast to only 21,000 pounds in 1959.

Canada's 1960 flue-cured crop is estimated at a record 203 million pounds--almost a third more than harvested in 1959. About 96 percent of the crop was produced in Ontario, the remainder in Quebec. Sales of Ontario flue-cured through March 17 totaled  $189\frac{1}{2}$  million pounds, averaging 55.2 Canadian cents per pound. In the 1959-60 season, 145 million pounds of Ontario flue-cured were sold, averaging 56.1 Canadian cents per pound. About 95 percent of the 1960-crop sales were of loose tobacco; the rest, in tied form.

In January-November 1960, Canadian tobacco exports totaled almost 36 million pounds (dry weight)-- $3\frac{1}{2}$  million less than in the corresponding period of 1959. About 92 percent of 1960 exports was flue-cured. About four-fifths of the total was consigned to the United Kingdom and less than a tenth to other Commonwealth destinations. West Germany, which took about  $2\frac{1}{2}$  million pounds of Canadian tobacco in 1959, took a little over 1 million pounds in January-November 1960. Lesser quantities went to Belgium, Netherlands, Portugal, and Denmark.

The 1961 flue-cured crop in India is placed at 133 million pounds--4 percent less than production in 1960. Exports of Indian flue-cured during the first 10 months of 1960 at 55 million pounds were about 10 million less than in the comparable period of 1959. Over half of the total went to the United Kingdom, but these exports were a tenth below shipments a year earlier. Approximately an eighth of the total went to other Commonwealth areas, mainly Singapore, Hong Kong, Nigeria, and Ghana. Among non-Commonwealth markets were Soviet Union, French West Africa, Belgium, Netherlands, Austria, and Egypt. Although India's flue-cured exports in January-October 1960 were down from year-earlier levels, exports of other types more than offset the decline; total consignments at close to 80 million pounds were 1 million above those in the first 10 months of 1959.

Tobacco production in Turkey in 1960 is estimated at 301 million pounds--14 percent above 1959 and a record high. Exports in 1960 at 128 million pounds were 19 million less than a year earlier, although a little above those 2 years earlier. Peak exports were in 1957, when 195 million pounds were shipped. Of last year's total, nearly 60 percent went to the United States, which took a little more than in 1959. West Germany cut takings by a half. Among other outlets taking less than in 1959 were Czechoslovakia, East Germany, Poland, Soviet Union, Switzerland, Austria, Hungary and Switzerland. Countries taking more included Italy, France, Belgium and Finland.



In Greece, tobacco production in 1960 is estimated at 138 million pounds--over a fifth below 1959 and the smallest in 7 years. Production in 1961 is expected to rise, as the Government has announced plans to increase acreage by around 14 percent. Exports in 1960, placed at 133 million pounds, were about 12 million above 1959 but a little below 1958. West Germany, the ranking market for Greek leaf, took about as much as in 1959, and accounted for over a fourth of the total. The United States, accounting for around a fifth of the total, stepped up takings by 7 percent. Other important markets in 1960--all taking approximately 5 million pounds or more--were Soviet Union (which almost doubled takings), France, Italy, Czechoslovakia, Austria, and Poland. Lesser quantities went to Switzerland, Finland, Belgium, Hungary, Sweden, Egypt, Portugal and Netherlands.

### British Tobacco Situation

The United Kingdom, world's leading importer of tobacco, is also the single largest foreign market for U. S. tobacco. Tobacco is imported both for home use and export, mainly in the form of manufactured cigarettes.

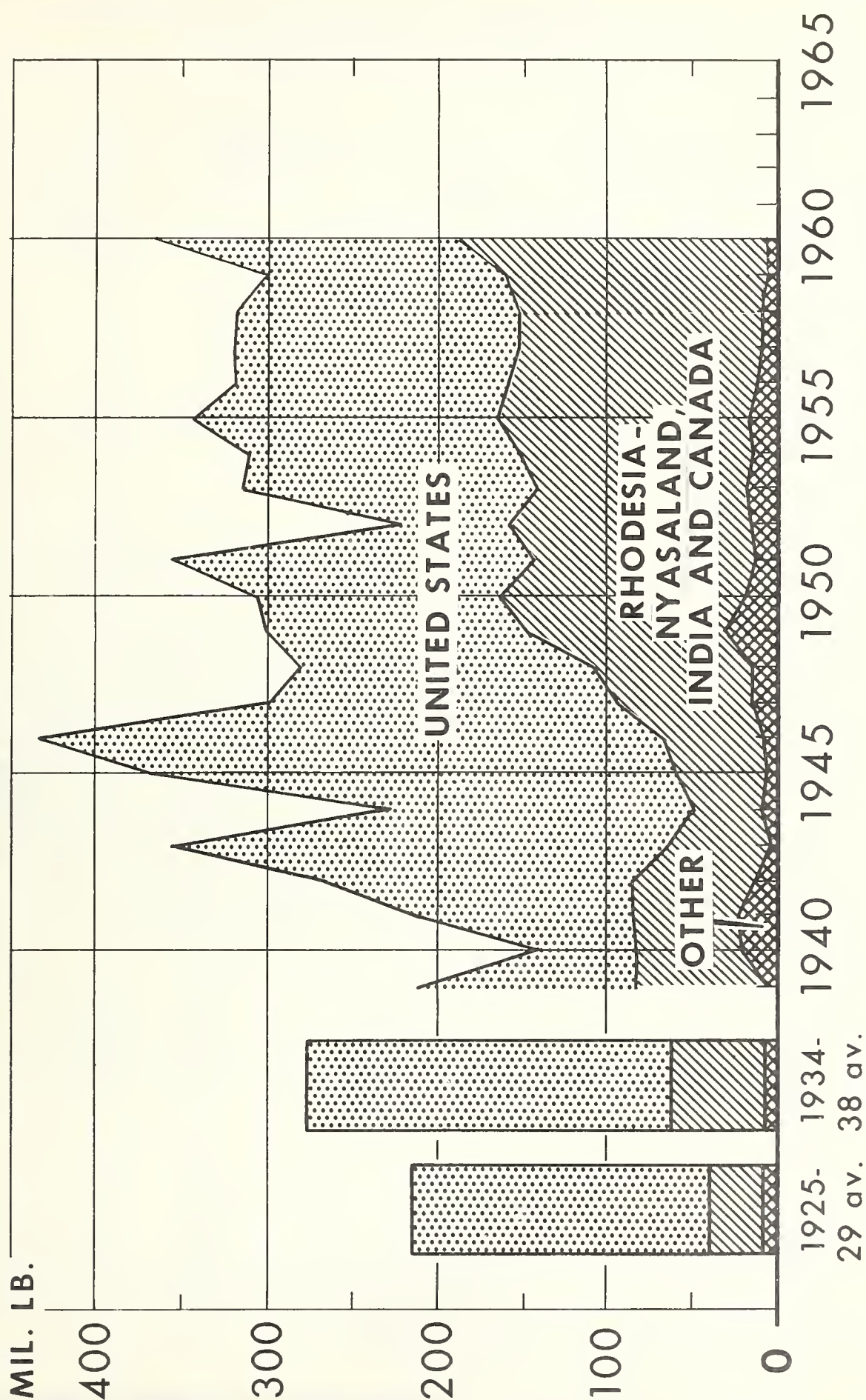
Imports of tobacco into the United Kingdom in 1960 totaled 362 million pounds--20 percent more than in 1959 and the largest quantity since the heavy imports for postwar restocking in 1945 and 1946. Except for one year in the 1953-59 period, tobacco imports into the United Kingdom ranged between 301 million and 319 million pounds.

About 94 percent of 1960 imports was flue-cured, of which about two-thirds entered in unstemmed form, the rest already stemmed. Imports of unmanufactured tobacco from the United States totaled 177 million pounds--26 percent above 1959 imports, lowest in 7 years. The quantity received from the United States comprised 49 percent of total 1960 imports, compared with 47 percent in 1959 and a 1954-58 average of 52 percent. In early 1960, the United Kingdom removed restrictions on imports of tobacco from the dollar area. (See March 1960 Tobacco Situation.)

More tobacco than in 1959 was also received from Commonwealth suppliers. Imports from Rhodesia-Nyasaland increased by 19 percent; from India, by 14 percent and from Canada, by 2 percent (see table 13.) The three Commonwealth areas provided close to 49 percent of total 1960 imports--about the same proportion as from the United States--compared with 51 percent in the preceding year. Before World War II (1934-38 average), Rhodesia-Nyasaland, Canada, and India together furnished approximately 20 percent of all unmanufactured tobacco imported by the United Kingdom; the United States, over 75 percent; other sources, the rest.

The quantities of imported flue-cured by principal sources were United States, 175 million pounds; Rhodesia-Nyasaland, 93 million; India, 39 million; and Canada, 29 million. Nearly all of the Canadian and the great bulk of U. S. flue-cured was unstemmed, while most Indian flue-cured and about half of that from Rhodesia was stemmed before being imported. Average values of un-

# UNITED KINGDOM IMPORTS OF TOBACCO, BY SOURCE



UNMANUFACTURED, DRY WEIGHT BASIS



Table 12.--United Kingdom tobacco: Imports, stocks, clearances, and exports for specified periods

Period	Imports <u>1/</u>			Stocks Dec. 31	Gross clearances from bond <u>3/</u>			Exports of manu- factured tobacco	Re-ports of unmanu- factured tobacco
	From	From	Total		Non- prefer- ential	Prefer- ential	Total		
	U. S. <u>2/</u>	Common- wealth coun- tries <u>2/</u>			<u>2/</u>	<u>2/</u>			
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.
Average									
1934-38	213	57	275	497	185	47	232	39	12
1939-45	182	63	255	310	215	62	277	27	5
1946	366	62	433	383	261	61	322	55	7
1947	201	82	296	384	235	57	292	52	1
1948	172	97	281	390	204	67	271	45	1
1949	154	119	302	419	190	81	271	47	2
1950	144	146	306	445	180	91	271	43	4
1951	212	131	355	498	183	104	287	51	7
1952	67	143	224	430	172	108	280	47	12
1953	174	127	316	452	167	116	283	45	9
1954	160	139	312	468	168	122	290	41	4
1955	179	149	344	507	173	125	298	44	4
1956	160	146	318	523	173	127	300	45	3
1957	168	141	319	532	169	135	304	41	3
1958	164	145	316	534	172	138	310	41	2
1959	140	157	301	515	171	144	315	34	2
1960 <u>4/</u>	177	180	362	548	167	153	320	31	5

1/ Unmanufactured tobacco.

2/ Since 1946 the full duty rate on tobacco from the United States and other non-preferential areas has been about 2.4 to 2.9 percent above the preferential rate on tobacco from Commonwealth areas. In the prewar period, the full duty rate was over 25 percent above the preferential rate.

3/ Largely withdrawals for manufactures for home use and export.

4/ Subject to revision.

Compiled from the Annual Statement of Trade and Accounts Relating to Trade and Navigation of the United Kingdom.



Table 13.--Unmanufactured tobacco imports into the United Kingdom  
from major sources, average 1947-49, annual 1950-60

Period	United States	Rhodesia and Nyasaland	India	Canada	Turkey	Greece	Other	Total
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Average 1947-49	175.9	52.3	28.0	16.0	10.2	5.5	4.6	292.5
1950	143.7	78.5	48.1	15.8	10.8	1.0	7.9	305.8
1951	212.0	66.5	40.1	21.6	3.2	1.3	10.2	354.9
1952	66.8	70.2	38.3	32.7	.6	1.2	13.9	223.7
1953	174.2	68.2	31.4	24.1	2.4	.8	14.7	315.8
1954	159.7	76.8	36.2	24.9	2.8	1.4	10.7	312.5
1955	178.6	72.1	36.4	40.0	3.1	1.5	12.0	343.7
1956	160.3	84.4	40.0	21.7	2.6	1.4	8.0	318.4
1957	168.1	79.9	35.6	25.6	2.5	1.1	5.9	318.9
1958	163.9	74.6	44.7	23.4	1.0	.5	7.9	316.0
1959	140.4	86.9	37.4	29.7	.2	.4	5.7	300.7
1960 <sup>1/</sup>	177.3	103.4	42.5	30.2	.4	.1	7.8	361.7
Percentage change								
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Average 1947-49 to 1960	.8	97.7	51.8	88.8	-96.1	-98.2	69.6	23.7
1959 to 1960	26.3	19.0	13.6	1.7	100.0	-75.0	36.8	20.3
Percentage distribution								
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Average 1947-49	60.1	17.9	9.5	5.5	3.5	1.9	1.6	100.0
1950	47.0	25.7	15.7	5.2	3.5	.3	2.6	100.0
1951	59.7	18.7	11.3	6.1	.9	.4	2.9	100.0
1952	29.9	31.4	17.1	14.6	.3	.5	6.2	100.0
1953	55.2	21.6	9.9	7.6	.8	.3	4.6	100.0
1954	51.1	24.6	11.6	8.0	.9	.4	3.4	100.0
1955	52.0	21.0	10.6	11.6	.9	.4	3.5	100.0
1956	50.4	26.5	12.6	6.8	.8	.4	2.5	100.0
1957	52.8	25.0	11.2	8.1	.8	.3	1.8	100.0
1958	52.0	23.6	14.1	7.4	.3	.2	2.4	100.0
1959	46.7	28.9	12.4	9.9	.1	.1	1.9	100.0
1960	49.0	28.6	11.8	8.3	.1	-	2.2	100.0

<sup>1/</sup> Preliminary.Basic data compiled from Accounts Relating to Trade and Navigation of the United Kingdom.

stemmed flue-cured imports in 1959, exclusive of duty, were as follows (expressed in U. S. cents per pound): United States, 83.8; Rhodesia-Nyasaland, 76.4; Canada, 79.0 and India, 40.3. Average values for U. S. and Canadian flue-cured increased by  $3\frac{1}{2}$  percent and 13 percent, respectively, while those of Rhodesian and Indian declined by 5 percent and 3 percent, respectively.

Gross clearances of tobacco from bond in the United Kingdom are an approximate measure of home use and exports combined. In 1960, gross clearances of 320 million pounds were 5 million higher than in 1959, and above any previous year except 1946. From 1959 to 1960, gross clearances of U. S. flue-cured rose 1 percent. There was a gain of  $8\frac{1}{2}$  percent and 3 percent, respectively, in gross clearances of Rhodesian and Canadian flue-cured, but those from India were virtually unchanged. Flue-cured from these three Commonwealth sources accounted for 49 percent of total flue-cured clearances, compared with 48 percent in 1959. Gross clearances of dark fire-cured from Nyasaland were down moderately, while those of air- and sun-cured from India and Nyasaland were a little less than a year earlier. There were no reported clearances of oriental tobacco.

Gross clearances of tobacco in Britain have risen steadily since 1953, but in the past 4 years the gain has been due to increasing home consumption; exports of manufactured tobacco have trended downward. Last year, British home consumption at 261 million pounds was 2 percent above 1959 and was the highest on record. Over 85 percent of Britain's consumption of tobacco is in the form of cigarettes, which have been gaining despite retail prices of popular brands being the equivalent of 57 cents per pack of 20. Duties on imported tobacco are a principal source of Government revenue, exceeded only by collections from the income tax. The import duty on unstemmed tobacco from non-Commonwealth sources is currently the equivalent of \$9.03 a pound,  $21\frac{1}{2}$  cents more than the duty on tobacco from Commonwealth areas. The United Kingdom duty rates on both U. S. and Rhodesian tobaccos are over 10 times their average import prices.

British exports of manufactured tobacco in 1960 dropped a tenth to a new low in the postwar period. Exports of cigarettes, comprising nine-tenths of the total, were 7 percent smaller than in the previous year. Several of Britain's traditional outlets have expanded local cigarette production and have reduced imports accordingly. Principal markets for British cigarettes in 1960 were Singapore, Malaya, West Germany, Hong Kong, and Arabian States, all of which reduced takings; and Aden, Persian Gulf Establishments, France, Sudan and Cyprus, all of which took more than in 1959.

Reflecting the larger volume of imports last year, stocks of unmanufactured tobacco in the United Kingdom rose to 548 million pounds on December 31, 1960--33 million more than year-end holdings in 1959, lowest December 31 stocks in 4 years. The increase in 1960 brought year-end stocks to the highest level since 1938. December 31, 1960 holdings represented 20.6 months' use, compared with a ratio of 19.6 at the end of 1959. At the end of 1958, the ratio was also 20.6, and in the 5 preceding years, averaged 20.1.



Data on December 31, 1960 stocks by kind indicate holdings of U. S. flue-cured at 298 million pounds--up 8 percent from a year earlier. Stocks of Rhodesian tobacco increased 4 percent to 109 million pounds. Stocks of Indian flue-cured at 59½ million pounds were 2 percent larger, and those of Canadian flue-cured at about 32 million were 5 percent larger. Holdings of dark fire-cured and air- and sun-cured declined a little. Manufacturers' stocks of oriental tobacco are usually very small.

#### UNITED STATES IMPORTS AND STOCKS OF FOREIGN GROWN TOBACCO 2/

The United States--the world's largest producer and exporter of tobacco--is also a principal importer, ranking after the United Kingdom and West Germany as the world's third leading importer. Tobacco is imported into the United States primarily for blending with domestic types in cigarette and cigar manufacture. Over a tenth of the tobacco used in U. S. factories comes from abroad.

U. S. imports of foreign grown tobacco in 1960 rose to a new record level of 160 million pounds, valued at about \$116 million (excludes import duty). Volume was up 5 percent from 1959, and the total value was up 3½ percent. Duties paid on imported tobacco in 1960 probably totaled over \$20 million.

Imports of cigarette leaf, comprising around three-fourths of the total as usual, totaled 119 million pounds--6 percent larger than in 1959. Cigarette leaf imports have risen steadily in the past 10 years. The percentage of foreign tobacco used in cigarettes fell sharply during the 1940's, and the rise in imports has enabled a return to more usual proportions of imported leaf in our expanded cigarette output. In 1950, imported tobacco constituted about 8 percent of the total in cigarettes, but by 1960 was over 11 percent and approaching the pre-World War II percentage.

Receipts of cigarette leaf from Turkey and Greece--our principal suppliers--increased 7 percent and 2 percent, respectively over 1959. Yugoslavia provided a fifth more. The average value of imports (exclusive of duty) from Turkey was near 68 cents a pound, and from Greece, about 81 cents a pound. The average value of Turkish tobacco was down a little from 1959 but there was little change in the average value of Greek tobacco. The U. S. duty rate on imported unstemmed cigarette leaf, gradually reduced over the years, is now 12¾ cents per pound. This rate, which went into effect in mid-1958, represents a substantial reduction from the 35-cent rate established under the Tariff Act of 1930.

On January 1, 1961, stocks of foreign grown cigarette and smoking tobacco in this country totaled 211 million pounds--8 percent less than the record high January 1 stocks in 1960, but a little above holdings on the same date in 1959.

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2/ Imports of tobacco for consumption are on a declared-weight basis and stocks are on ~~an~~ unstemmed-equivalent basis.



Table 14.--United States imports for consumption of unmanufactured tobacco, from principal supplying countries, for specified periods

(Declared weight)

Classification and country of origin	July-January						
	Average	1958	1959	1960	1959-60	1960-61	1960-61 as
	1953-57			<u>1/</u>	<u>1/</u>	<u>1/</u>	percentage of 1959-60
	Mil. <u>lb.</u>	Mil. <u>lb.</u>	Mil. <u>lb.</u>	Mil. <u>lb.</u>	Mil. <u>lb.</u>	Mil. <u>lb.</u>	Pct.
Cigarette leaf							
Unstemmed:							
Turkey	56.4	65.1	69.6	74.4	41.9	43.9	105
Greece	18.0	28.5	31.6	32.3	18.9	18.7	99
Syria	2.4	1.1	.9	.7	.6	.4	67
Italy	1.6	1.7	1.8	1.9	1.0	1.1	110
Cyprus	.4	1.3	1.0	1.1	.5	.5	100
Yugoslavia	2.7	4.0	4.6	5.5	3.0	3.4	113
Total <u>2/</u>	84.0	104.6	111.9	119.1	67.2	70.1	104
Cigar leaf (filler)							
Cuba:							
Stemmed	9.1	9.0	9.1	7.0	5.3	4.0	75
Unstemmed	4.2	3.1	3.7	4.0	2.1	2.7	129
Philippines, Rep.:							
Stemmed	.2	.3	.2	.5	.2	0	---
Unstemmed	.1	.1	<u>3/</u>	.1	0	.1	---
Total <u>2/</u>	13.7	12.7	13.1	12.3	7.6	7.4	97
Scrap:							
Cuba	10.3	13.8	16.1	13.8	9.2	7.6	83
Philippines, Rep.	3.6	5.5	7.4	9.9	4.7	5.1	109
Peru	0	0	.1	1.7	.2	.5	250
Colombia	0	0	0	.2	0	.2	---
Dominican, Rep.	0	<u>3/</u>	.1	.3	.1	.2	200
Total <u>2/</u>	13.9	19.5	24.7	26.9	14.8	14.5	98
Cigar wrapper (unst.)							
Indonesia	.3	.1	<u>3/</u>	<u>3/</u>	<u>3/</u>	<u>3/</u>	---
Cuba	.5	.5	.5	.6	.3	.4	133
Total <u>2/</u>	.8	.6	.6	.6	.3	.4	133
Total imports <u>4/</u>	113.6	138.5	151.7	159.9	90.6	93.0	103

1/ Preliminary.2/ Includes relatively small quantities from other countries not separately listed.3/ Less than 50,000 pounds.4/ Includes stems not cut, ground, or pulverized.

Compiled from publications and records of the Bureau of the Census.

Table 15.--Cigarette leaf tobacco: Value per pound of imports into the United States from selected major countries and from all countries, 1948-60 1/

Year	Turkey	Greece	Yugoslavia	Italy	All countries <u>2/</u>
	Cents	Cents	Cents	Cents	Cents
1948	79.7	101.0	81.8	---	80.1
1949	68.3	99.0	84.9	---	72.6
1950	65.8	102.1	83.6	77.6	70.6
1951	61.4	93.5	89.4	73.8	67.6
1952	61.4	90.7	73.8	71.5	66.0
1953	62.6	86.3	78.6	80.6	66.5
1954	63.2	83.5	96.0	95.8	67.8
1955	64.4	82.6	87.2	80.2	68.6
1956	67.4	81.8	77.3	81.7	70.3
1957	70.2	86.9	74.9	87.3	74.3
1958	71.1	82.2	72.2	70.4	73.4
1959	69.9	81.1	74.3	68.4	72.4
1960	67.7	81.2	69.4	69.7	71.1

1/ Imports for consumption. 2/ All cigarette leaf, including Latakia.

Computed from the import values and quantities as reported in publications of the United States Department of Commerce.

Table 16.--Cigar tobacco: Value per pound of imports into the United States from Cuba and the Philippine Republic, 1948-60 1/

Year	Cuba			Philippine Republic
	Filler		Scrap	Scrap
	Stemmed	Unstemmed		
	Cents	Cents	Cents	Cents
1948	139.6	123.5	58.6	31.6
1949	132.0	113.5	54.1	35.8
1950	136.8	120.2	56.8	32.6
1951	142.0	121.0	65.6	---
1952	145.8	134.3	59.7	29.3
1953	149.0	121.8	61.1	26.6
1954	146.8	104.4	61.0	28.6
1955	142.3	98.6	55.6	28.1
1956	141.2	114.2	52.3	26.0
1957	143.1	133.2	53.4	29.5
1958	138.0	122.4	51.7	32.4
1959	136.6	122.3	52.0	32.3
1960	154.0	122.7	58.4	30.0

1/ Imports for consumption.

Computed from the import values and quantities as reported in publications of the United States Department of Commerce.

The total quantity of stemmed and unstemmed cigar filler imported for consumption in 1960--mostly from Cuba--declined 6 percent below 1959. While there was moderately less Cuban tobacco, a little more from the Philippine Republic entered consumption channels. Imports of scrap tobacco--also mainly used as cigar filler--were 9 percent larger than in 1959. Scrap from Cuba entering consumption channels fell below the quantity received in 1959, but that from the Philippines increased by about a third. A substantial quantity of scrap was imported from Peru, and lesser quantities from Colombia and Dominican Republic. Cigar wrapper imports, virtually all from Cuba, were about equal to the previous year's total.

January 1, 1961, stocks of Cuban tobacco in this country--42 million pounds (unstemmed weight)--were 60 percent above those a year earlier and the largest for that date on record. Stocks of Cuban tobacco in the United States increased during 1960, as substantial quantities previously held in Cuba for U. S. account were moved to the mainland for storage. Total arrivals of Cuban tobacco (including that placed in bond) were about  $41\frac{1}{2}$  million pounds in 1960 and over  $42\frac{1}{2}$  million pounds in 1959, compared with the 1956-58 average of  $29\frac{1}{2}$  million pounds. Stocks of Philippine tobacco at about  $11\frac{1}{2}$  million pounds (unstemmed weight) were a little larger than held a year earlier but moderately below the record January 1 holdings of 2 years earlier. Stocks of Indonesian tobacco held in this country were 864,000 pounds, compared with only 21,000 a year earlier. Nearly all of the January 1, 1961 stocks of Sumatra and Java tobacco consisted of fillers.

Tables 15 and 16 show the average value per pound of the major kinds of tobacco imported from principal foreign suppliers during the period 1948-60. The dollar values shown for imports into the United States are defined generally as the market value in the foreign country. By this definition, entered values exclude U. S. import duties and such nondutiable charges as ocean freight and marine insurance. The Philippine Republic has an annual duty-free quota of 5,850,000 pounds during 1959-61; imports in excess of that quantity are dutiable at the rates applicable to Cuba. For scrap--the chief category imported from the Philippines--this rate is 12.6 cents a pound.

#### OUTLOOK AND SITUATION FOR TOBACCO LEAF

Flue-cured, Types 11-14

#### Prices and Price Supports

The season average price received by growers for their 1960 crop was 60.4 cents per pound, about 2 cents higher than in the previous two seasons and above any previous year. In three of the five Belts--Eastern North Carolina, the Middle and Old--the 1960 season prices were at new highs. In the Georgia-Florida and Border Belts, season average prices were 2 and 1 percent respectively below their record averages of 1959.



Table 17.--Marketing quota referendums, by kinds of tobacco

Kind	Last referendum					Next referendum 2/		
	Date	Crops covered	Number voting	Percentage voting in favor of quota 1/	Approximate date	Crops covered		
Flue-cured (11-14)	Dec. 15, 1958	1959-61	176,607	95.4	Not later than Dec. 1961	1962-64		
Burley (31)	Feb. 24, 1959	1959-61	190,453	98.7	Not later than Feb. 1962	1962-64		
Maryland (32)	Feb. 2, 1960	1960-62	5,958	77.8	Not later than Feb. 1963	1963-65		
Fire-cured (21-23)	Feb. 24, 1961	1961-63	11,319	98.0	Not later than Feb. 1964	1964-66		
Dark air-cured (35-36)	Feb. 24, 1961	1961-63	9,082	98.7	Not later than Feb. 1964	1964-66		
Va. sun-cured (37)	Feb. 24, 1959	1959-61	1,128	97.9	Not later than Feb. 1962	1962-64		
Pa. filler (41)	Feb. 24, 1959	1959-61	2,382	7.9	Not later than Feb. 1962 3/	1962-64		
Cigar binder (51-52)	Feb. 11, 1960	1960-62	797	89.7	Not later than Feb. 1963	1963-65		
Cigar filler and binder (42-44, 53-55)	Feb. 11, 1960	1960-62	3,805	95.4	Not later than Feb. 1963	1963-65		

1/ At least a two-thirds majority of farmers voting is required to place marketing quotas in effect. 2/ Under existing legislation. 3/ Unless at least a fourth of the growers petition the Secretary prior to this time.

The Government support level for the 1960 crop at 55.5 cents was the same as in 1959. Close to 52 million pounds, 4 percent of the crop, were received under loan. This was the smallest quantity and proportion of the crop to go under loan since the present loan program began in 1946.

In the 9 years, 1946-54,  $11\frac{1}{2}$  billion pounds of flue-cured were produced and  $1\frac{1}{4}$  billion pounds of this were placed under Government loan. All of this 1946-54 loan tobacco was subsequently sold, the loans repaid with interest, the operating expenses paid, and \$16 $\frac{1}{2}$  million in net gains distributed to growers. In addition \$3-1/3 million were set aside as a reserve against loan indebtedness on all crops.

In 1955 and 1956, 2.9 billion pounds of flue-cured were produced. Over 0.6 billion pounds of this were placed under loan--about a fifth of each crop. These two crops were composed of substantial amounts of Coker 139, Coker 140 and Dixie Bright 244, varieties designated unacceptable by the U. S. Department of Agriculture beginning with the 1957 crop because they were lacking in certain desirable characteristics. By the end of 1960, 338 million pounds of the 619 million pounds received under loan from the 1955-56 crops had been sold. Thus 281 million pounds (farm-sales-weight equivalent) remained in loan stocks. Due to age, insect damage, the considerable percentage of the unacceptable varieties in these crops, and the burden of carrying costs, these loan stocks have been repriced on a current value basis. The current selling price for 1955 crop tobacco represents a reduction of about 24 percent below costs, and the adjusted prices for 1956 crop tobacco represents a reduction of about 7 percent below cost. There will be no further price reductions this year. By the end of February and following the price reductions, about 28 $\frac{1}{2}$  million pounds (farm-sales weight equivalent) of 1955-56 tobacco had been sold from loan stocks.

During the past four years, 1957-60, 4.4 billion pounds of flue-cured were produced and 360 million pounds went under loan. By the end of February, 107 million pounds of these tobaccos had been sold; about 253 million pounds, of which a fifth was 1960 crop tobacco, remained on hand.

The price support level for the 1961 crop will be 55.5 cents per pound, the same as for the 1959 and 1960 crops. This was determined by the comparison between (1) the 1959 parity index and (2) the average of the parity indexes for 1958, 1959, and 1960. The parity index is the index of prices paid by farmers, including interest, taxes, and farm wage rates. The 1958-60 average of the parity index was 296 and the 1959 index was 297. The result of dividing 296 by 297 and rounding to the nearest whole percentage is 100. This is multiplied by the 1959 support level and the result is the 1961 support level. Thus 55.5 cents (the 1959 support level) multiplied by 100 percent equals 55.5 cents, the 1961 support level.

By around mid-December, growers of flue-cured will vote in a referendum on continuation of marketing quotas for the 1962-64 crops.

Table 18.—Flue-cured tobacco, types 11-14: Domestic supplies, disappearance, season average price, and price support operations for specified periods

[illegible]

1/ Year beginning July 1. 2/ Subject to revision. 3/ Through 1959, as of date determining support level; but from 1960 on, supports are not set at 90 percent of parity. The parity shown for 1960 is as of June and for 1961, as of February. 4/ As reported by Flue-cured Tobacco Cooperative Stabilization Corporation; actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures. 5/ An additional 78.4 million pounds under option to British manufacturers were pledged for CCC loans, but were purchased and shipped by mid-1953.



According to farmers' March 1 intentions, 694,300 acres of flue-cured will be grown in 1961, the same as in 1960. If yields per acre should equal the 1958-60 average, this year's production would total about 1,170 million pounds, 6 percent less than in 1960 when yields averaged a record high.

Carryover of flue-cured on July 1, 1961, is estimated at about 2,120 million pounds, slightly above that last July 1 but below each carryover in the previous 4 years. Assuming this year's crop at 1,170 million pounds, total supply for 1961-62 would approximate 3,290 million pounds--2 percent less than for 1960-61.

#### Domestic Use and Exports

During the current marketing year (July 1960-June 1961) the domestic use of flue-cured is expected to be near 785 million pounds--2½ percent larger than in 1959-60 and second highest on record. First indications point to a modest gain in leaf usage during the first half of the marketing year. Cigarettes absorb the predominant share of flue-cured used domestically.

Exports of flue-cured in 1960-61 (the year ending June 30) may approximate 450 million pounds (farm-sales weight)--7 percent above the 7-year low of 1959-60. The 1960 crop was considered to be of desirable export quality. According to exporters' declarations, the average value per pound of unstemmed flue-cured shipped in September 1960-January 1961 was 77 cents per pound, compared with 75 cents in the comparable period a year earlier. Unstemmed flue-cured shipped to Britain averaged 82 cents per pound, about 1 cent higher than in the comparable period a year earlier. During the first 7 months of the current marketing year, flue-cured exports were running 14 percent ahead of the comparable period of 1959-60. The volume exported to the United Kingdom, accounting for nearly a half the total, was up 28 percent. West Germany, accounting for about 8 percent of the total, got 7 percent less. Netherlands, ranking third, doubled her takings compared with the same period 1 year earlier. The next ranking outlets in July 1960-January 1961 were Australia, Japan and Ireland; Japan took 75 percent more and Ireland, 40 percent more than in the comparable months a year earlier but Australian takings were down 5 percent. Other countries which took less were Egypt, Denmark, Thailand, Finland, Italy, Indonesia, Hong Kong, Philippine Republic, Mexico and Taiwan. Belgian takings in July 1960-January 1961 were about the same as in these months a year earlier. On the other hand, Sweden more than doubled her takings of flue-cured and there were increases to Norway, Portugal, Switzerland, France, and New Zealand. Also, sizable amounts went to Austria and Viet Nam in contrast to none in July 1959-January 1960. However, none was yet reported as going to Spain, whereas a significant quantity went there a year earlier.

Burley, Type 31

#### Prices and Price Supports

Growers received an average price of 64.3 cents a pound for the 1960 burley crop, 6½ percent more than for the previous year's crop and second only to the record 66 cents received for the 1956 crop. Auctions began Novem-

ber 28 and final sales were held February 14 at Lexington. The opening date was latest in several years, owing to the lateness of the crop and extremely dry weather for preparing tobacco for market. Nearly 80 percent of the crop was sold before Christmas, compared with about 90 percent a year earlier.

The crop was of better quality than the 1959 crop, one of the poorest ever produced. Volume sold was 5 percent below the previous year and third lowest in 13 years. Nearly three-fourths of the grade averages were higher than in the 1959 season, with largest gains occurring mainly for tips, lower quality leaf and most nondescript. Around a fifth of the grades--mostly C's and X's--showed no change from the previous year. Price spreads among grades generally were smaller than for the 1959 crop, although exceeding the exceptionally narrow margins of 1958 and 1956. This is illustrated by table 19, which shows the difference between the price of burley in C4F grade (for years one of the major cigarette grades) and prices of selected other grades.

The Government support level for the 1960 crop was 57.2 cents a pound--the same as for the 1959 crop. Growers placed around 8.4 million pounds under loan during the 1960 season, equal to about  $1\frac{3}{4}$  percent of estimated producers' sales. In the 5 seasons 1956-60, only from 1 to  $3\frac{1}{2}$  percent of burley production went under Government loan, in contrast to 1951-55, when the percentages ranged from about 16 to 33.

Table 19.--Burley tobacco: Price spreads among specified grades, average 1953-55, annual 1956-60

Item	1953-55 average	1956	1957	1958	1959	1960
	Cents per lb.	Cents per lb.	Cents per lb.	Cents per lb.	Cents per lb.	Cents per lb.
Average price of C4F	64	66	67	70	70	70
Price spread between C4F and:		Cents per pound lower than C4F				
X4F	1	1	1	1	1	1
C4R	6	1	3	2	2	2
B4F	8	1	4	2	2	2
B4FR	15	1	7	3	7	5
B4R	23	1	10	4	12	9
T4R	28	2	13	7	17	13
N1G	43	14	29	20	32	25



As of February 28, Government loan stocks of burley amounted to approximately 93 million pounds (farm-sales weight equivalent). This is 61 million pounds less than held a year earlier, and 189 million pounds less than held 2 years earlier.

The 1961 burley crop will receive Government price support, as marketing quotas will continue in effect. The support level for 1961 burley is 57.2 cents per pound--the same as in 1960 and 1959. Under the new method of determining support prices for tobacco, the 1959 support level was multiplied by 100 percent to arrive at the support level for the 1961 crop. (See page 38.)

Before the 1962 crop is planted, growers of burley will vote in a referendum on continuation of marketing quotas for the 1962-64 crops.

### Supplies

The 1960-61 total supply of burley is estimated at about 1,671 million pounds--3 percent lower than for 1959-60. Both the size of the crop and carry-over were down. The total supply of burley for 1960-61 has been reduced more than a tenth from the record high of 6 years ago.

Based on farmers' March 1 intentions, 315,900 acres of burley will be grown in 1961--nearly 20,000 more than last year. Acreage allotments for 1961 were increased 6 percent, the first general change in burley acreage allotments since the sharp cutback in 1955. In announcing the 1961 marketing quota and the resulting 6 percent increase in farm acreage allotments, the Secretary of Agriculture pointed out that a moderate increase was being made with a view toward a further increase in 1962 should conditions at that time warrant it.

If average yields per acre should equal the average of recent years, the 1961 burley crop would be around 515 million pounds--7 percent larger than the volume marketed during the past season. The carryover of burley next October 1 probably will be near 1,121 million pounds--70 million less than last October and lowest in 9 years. Such carryover plus this year's indicated crop will provide a 1961-62 supply approximating 1,636 million pounds--2 percent less than for the current year.

### Domestic Use and Exports

During the current marketing year (October 1960-September 1961) domestic use of burley is likely to show some increase over the 499 million pounds of 1959-60. A continued rise is expected in output of cigarettes, principal domestic outlet for burley. Comparatively little change is expected in production of smoking tobacco, but output of plug chewing is likely to decline further.

In the first third of the current marketing year (October 1960-January 1961), burley exports were 4 percent above those a year earlier and the highest



(Farm-sales weight)

1/ Year beginning October 1. 2/ Subject to revision. 3/ Through 1959, as of date determining support level; but from 1960 on, supports are not set at 90 percent of parity. The parity shown for 1960 is as of Sept. and for 1961, as of February. 4/ Actual loan stocks on a packed-weight basis average about 11 percent less than these farm-sales weight figures. \*Indicated by sales data.

on record for the comparable period. Leading outlets were Sweden, Egypt, West Germany, Finland and Mexico; these countries together accounted for about 75 percent of total burley exports. Sweden took a third more than in October 1959-January 1960, while Egypt took about a fourth more. Exports to Finland amounted to approximately 1.2 million pounds (farm-sales weight), in contrast to 157,000 a year earlier. On the other hand, exports to Germany dropped nearly a fourth, and to Mexico, nearly a half. Poland, which prior to the current marketing year had imported no U. S. cigarette leaf since 1939, received a significant quantity of burley under Title 1, P. L. 480. Other destinations taking more burley than in the first third of 1959-60 included Norway, Netherlands, Hong Kong and Switzerland. Countries taking less included France, Denmark and Uruguay.

### Maryland, Type 32 3/

#### Prices and Price Supports

Maryland tobacco auctions for the 1960 crop are scheduled to open April 25 and to close July 14. Sales will also be held at the Baltimore hogshead market where around a tenth of the crop is marketed.

The 1960 crop will be supported at an average level of 50.8 cents a pound. As a marketing quota will continue in effect for the 1961 crop, it will also receive Government price support. The support level for 1961 Maryland is 50.8 cents per pound--the same as for the 1960 crop. Under the new method of determining support prices for tobacco, the support level that would have applied to the 1959 crop--had it been produced under a marketing quota--was multiplied by 100 percent to arrive at the support level for the 1961 crop. (See page 38.)

The average price for the 1959 crop (marketed mostly in 1960) was 61.6 cents a pound, exceeded only by the record 62.3 cents received for the 1958 crop. Sales volume was the smallest in many years; quality of offerings was well above average. Government price support was not available for the 1959 crop, as a marketing quota was not in effect.

#### Supplies

The 1960 crop of Maryland tobacco is estimated at 32.8 million pounds--5 percent above each of the 2 previous years. Carryover on January 1, 1961, was 61.7 million pounds, 4 percent below a year earlier and lowest since 1951. With the reduction in stocks more than offsetting the increase in size of the crop, the total 1960-61 supply at 94 $\frac{1}{2}$  million pounds is 1 percent less than for 1959-60 and the smallest in 10 years.

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3/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of January 1 falling within the marketing year--the 12-month period, October 1 through September 30. Disappearance is calculated on the October-September basis.

(Farm-sales weight)

1/ For marketing quota purposes, the carryover and total supply of Maryland tobacco are calculated as of January 1 falling within the marketing year--October 1 through September 30.  
2/ Year beginning October 1. 3/ Subject to revision. 4/ Through 1959, as of date determining support level or when no support, October 1; but from 1960 on, supports are not set at 90 percent of parity. The parity shown for 1960 is as of September and for 1961, as of February.  
5/ Actual loan stocks on a packed-weight basis average about 2 percent less than these farm-sales weight figures. 6/ Marketing quota not in effect since less than two-thirds of growers voting approved.



Based on farmers' intentions as of March 1, 39,000 acres will be grown this year--4 percent above 1960. As acreage allotments for most farms are unchanged from last year, it appears that allotments will be more fully planted. If yields per acre should be near the average of the recent 3 years, the 1961 crop may be around  $33\frac{1}{2}$  million pounds--2 percent above last year's. Carryover next January 1 may be down slightly. The 1961-62 total supply may be little different from the current level.

### Domestic Use and Exports

Domestic use of Maryland tobacco in the 1959-60 marketing year, near  $20\frac{1}{2}$  million pounds, was about  $3\frac{3}{4}$  million less than in 1958-59 and lowest in many years. Use of Maryland has not kept pace with expanding output of cigarettes--principal domestic outlet for this type of tobacco. Certain grades of Maryland are bought for filler tobacco in some cigars, if available at prices buyers are willing to pay. Domestic use of Maryland in the current marketing year may be near the 1959-60 level.

In the first third of the current marketing year (October 1960-January 1961), exports of Maryland were 7 percent above those in the corresponding period a year ago. Switzerland took 31 percent more, but exports to Belgium were less than a third of the record quantity taken in October 1959-January 1960. Exports to Netherlands and to West Germany rose appreciably. Some went to Viet Nam, France and Portugal in contrast to none a year earlier. In the marketing year 1959-60, Portugal ranked after Switzerland and Belgium as the third leading foreign market for Maryland tobacco.

### Fire-Cured, Types 21-23

### Prices and Price Supports

Auctions for Virginia fire-cured, type 21, began at the end of November and marketings were completed by mid-February. Volume sold was almost an eighth less than in the previous year and the second smallest on record. Quality of market offerings was better than in the previous year. The auction average was 39.4 cents per pound-- $4\frac{1}{2}$  percent above that for the 1959 crop and nearly equal to the peak price for the 1956 crop.

Auction sales for Kentucky-Tennessee fire-cured, types 22 and 23, began around mid-January and closed during the first third of March. The average price of type 22 auction sales was 43.4 cents a pound--14 percent above 1959 and a record high. Sales volume was down by 14 percent and was second smallest on record; quality was better than in the previous year. In addition to sales at auction, an estimated  $2\frac{1}{2}$  million pounds were purchased in the country last season--9 percent of total sales.

The type 23 auction average was 41.4 cents--15 percent above 1959 and also the highest ever received. Sales volume declined 14 percent, and was the fourth lowest on record. Quality of offerings showed considerable improvement from last year. Country sales were minor, amounting to less than 14,000 pounds last season.

The Government support price of the 1960 crop of fire-cured was 38.8 cents--the same as for the previous 3 crops. During the season just ended, growers of Virginia fire-cured placed around 335,000 pounds under loan, equal to less than 4 percent of marketings. This was the smallest quantity and percentage of marketings in the postwar period. In the 1959 season, loan placements amounted to 817,000 pounds, about 8 percent of marketings, and in the previous 5 years they averaged about  $1\frac{3}{4}$  million pounds, 17 percent of marketings.

Growers of Kentucky-Tennessee fire-cured, type 22, placed about 2.2 million pounds--8 percent of marketings--under loan. The year before, loan placements were 4.2 million--13 percent of marketings. The quantity going under loan was the smallest on record, and the percentage of marketings, second smallest. Loan deliveries of type 23 were 1.0 million pounds--over a tenth of marketings. The quantity was slightly below that of the 1959 season, but represented a little higher percentage of marketings.

In a referendum held February 24, growers of the three fire-cured types approved marketing quotas for the 1961-63 crops. Ninety-eight percent of the growers voting approved quotas; at least a two-thirds majority was required.

As marketing quotas will continue in effect, the 1961 fire-cured crop will receive Government price support. The support level for 1961 fire-cured is 38.8 cents per pound--the same as for the 1960 and 3 prior crops. Under the new method of determining support prices for tobacco, the 1959 support level was multiplied by 100 percent to arrive at the support level for the 1961 crop. (See page 38.)

#### Supplies

The 1960-61 total supply of fire-cured tobacco, 169 million pounds, is 3 percent below the record low of 1959-60. For Virginia, type 21, supplies are 4 percent smaller, and for the Kentucky-Tennessee types, are 3 percent smaller than a year earlier.

According to farmers' intentions as of March 1, about 34,800 acres of fire-cured will be grown in 1961--5 percent more than in 1960. Acreage allotments are mostly the same as last years's. If yields per acre are near the averages of recent years, this year's crop may be close to 50 million pounds--9 percent more than the volume marketed last season.

Carryover of fire-cured next October 1 may be near 116 million pounds--about 7 million less than last October 1 and lowest since 1946. These stocks, added to the indicated 1961 crop, would provide a total 1961-62 supply of 166 million pounds--2 percent less than for the current year.

#### Domestic Use and Exports

Domestic disappearance of the fire-cured types in the current marketing year (October 1960-September 1961) may be near the quantity used last year. Manufacture of snuff--principal domestic outlet for fire-cured--is expected to hold near last year's level.



(Farm-sales weight)

1/ Year beginning October 1. 2/ Subject to revision. 3/ Through 1959, as of date determining the burley support level; for 1960, as of September; for 1961, as of February. 4/ Data for 1950-57 are parity prices for all fire-cured tobacco--starting with 1958, type 21 parity computed separately. 5/ Set at 75 percent of burley support through 1957, but since has stayed at 1957 level in accordance with changes in legislation. 6/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures. \*Indicated by sales data.



Table 23.—Fire-cured tobacco, types 22-23<sup>1/</sup>: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)							
Year	Production:	Stocks, Oct. 1	Supply	Total	Disappearance <sup>2/</sup> Domestic	Exports	Average price per pound
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Average:							
1934-38	90.8	163.6	254.4	101.6	43.4	58.2	10.0
1941-45	54.0	139.4	193.4	66.4	41.0	25.4	21.0
1947-49	64.4	132.1	196.5	57.3	30.7	26.6	30.1
1950	45.4	141.8	187.2	64.6	30.7	33.9	29.7
1951	46.1	122.6	168.7	48.8	25.8	23.0	40.3
1952	46.0	119.9	165.9	48.3	24.2	24.1	38.1
1953	39.7	117.6	157.3	49.5	26.0	23.5	33.3
1954	51.6	107.8	159.4	48.9	23.9	25.0	38.5
1955	54.7	110.5	165.2	52.0	24.6	27.4	38.4
1956	59.9	113.2	173.1	52.3	27.5	24.8	36.1
1957	41.9	120.8	162.7	53.3	29.5	23.8	36.4
1958	33.9	109.4	143.3	44.1	24.6	19.5	38.1
1959	43.0	99.2	142.2	41.0	22.4	18.6	38.3
1960 <sup>3/</sup>	*36.8	101.2	138.0				*43.0
	Parity price <sup>4/</sup> <sup>5/</sup>	Price support level <sup>6/</sup>	Placed under Government loan Quantity	Percentage of crop	Remaining in Government loan stocks on Feb. 28, 1961 <sup>7/</sup>		
	Ct.	Ct.	Mil. lb.	Pct.	Mil. lb.		
1950	30.3	34.3	9.8	21.6	0		
1951	33.6	37.4	4.9	10.6	0		
1952	34.8	37.1	8.5	18.4	0		
1953	34.4	35.0	7.5	18.9	0		
1954	34.8	34.8	4.8	9.3	.8		
1955	35.8	34.6	7.9	14.4	1.9		
1956	36.2	36.1	18.6	31.1	13.4		
1957	38.8	38.8	13.9	33.1	9.1		
1958	41.2	38.8	4.4	12.0	3.5		
1959	41.6	38.8	5.3	12.3	5.0		
1960	42.9	38.8	3.2	8.7	3.2		
1961	n. a.	38.8					
Total			88.8		36.9		

<sup>1/</sup> Type 24 included until early 1950's when it became practically nonexistent. <sup>2/</sup> Year beginning October 1. <sup>3/</sup> Subject to revision. <sup>4/</sup> Through 1959, as of date determining burley support level; for 1960, as of September. <sup>5/</sup> Data for 1950-57 are parity prices for all fire-cured tobacco--starting with 1958, types 22-23 parity computed separately. <sup>6/</sup> Set at 75 percent of burley support through 1957, but since has stayed at 1957 level in accordance with changes in legislation. <sup>7/</sup> Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures. n.a.--not available. \*Indicated by sales data.

Exports of fire-cured in 1960-61 may be up a little from the postwar low of 1959-60. In the first third of the current marketing year (October 1960-January 1961) exports of Kentucky-Tennessee fire-cured were 38 percent larger than in the corresponding months of 1959-60. The Netherlands, accounting for over half of the total, took more than twice as much as a year earlier. Switzerland, next ranking outlet, increased takings a little, and exports to Belgium, third ranking outlet, more than doubled. The Netherlands and Belgium probably stepped up takings in anticipation of higher import duties under the European Common Market agreement. Exports to Italy and Denmark rose substantially, but to Sweden, West Germany and Egypt, declined below those a year earlier. Exports of Virginia fire-cured were more than a fourth higher than in October 1959-January 1960. Norway, the leading outlet, more than tripled takings over the unusually small quantity a year earlier. Consignments to Sweden and Germany increased by over a third and over a fifth, respectively. On the other hand, the United Kingdom reduced takings by nearly a half.

### Dark Air-Cured and Sun-Cured, Types 35-37

#### Prices and Price Supports

Auction markets for One Sucker (type 35), Green River (type 36), and Virginia sun-cured (type 37) opened during the first half of December and sales were concluded by the last week in January for type 36 and by the first half of February for types 35 and 37. Type 35 averaged 38.4 cents a pound--about a tenth above 1959 and only about  $1\frac{1}{2}$  percent less than the all-time high of the 1958 season. Volume was down 14 percent from the year before to the third lowest on record; quality of offerings was better than in the previous season. The auction average of type 36, 35.2 cents, was 4 percent higher than a year earlier and was exceeded only by the average for the 1958 crop. Sales volume rose by about an eighth; general quality of marketings was considerably improved over that in the 1959 season. The auction market average for Virginia sun-cured was a record 37.9 cents--10 percent above the previous year. Poundage sold dropped a fifth to the lowest in 28 years, but marketings were of better quality than in the 1959 season. About 15 percent of the Virginia sun-cured volume was sold on the fire-cured markets.

The Government support level for the 1960 crop of dark air-cured and sun-cured was 34.5 cents per pound--the same as for the 3 preceding crops. In the season just ended, growers of One Sucker placed about 990,000 pounds under loan, about 8 percent of marketings. This was a substantial drop from the previous year, when close to 3 million pounds--over a fifth of the crop--went under loan. Type 36 loan placements were largest in 4 years, amounting to 1.2 million pounds -- 19 percent of marketings. Loan placements of Virginia sun-cured, which customarily are minor, were even smaller than usual; they amounted to some 3,000 pounds, only two-tenths of 1 percent of marketings. This quantity was resold before it moved into Government loan stocks.



Almost 99 percent of growers of dark air-cured, types 35-36, voting in a referendum held February 24, approved marketing quotas on their 1961-63 crops. A two-thirds majority was required to continue quotas in effect. Growers of Virginia sun-cured, type 37, had approved marketing quotas on their 1959-61 crops in a referendum held in February 1959. Prior to planting the 1962 crop growers of sun-cured will vote in a referendum on continuation of marketing quotas for the 1962-64 crops.

As marketing quotas will continue in effect, Government price support will be available for the 1961 crops of dark air- and sun-cured. The support level for 1961 dark air- and sun-cured is 34.5 cents per pound--the same as for the 1960 and 3 prior crops. Under the new method of determining support prices for tobacco, the 1959 support level was multiplied by 100 percent to arrive at the support level for the 1961 crop. (See page 38.)

### Supplies

The 1960-61 total supply of dark air-cured and sun-cured tobacco is 5 percent less than for 1959-60 and smallest on record. Both production and carryover were lower than in the previous year.

According to farmers' intentions on March 1, about 13,400 acres of dark air-cured and 1,900 acres of sun-cured will be grown in 1961. Indicated acreage of dark air-cured is up 300 acres, and sun-cured, 100. Most allotments for 1961 are the same as in 1960. If yields per acre are near the average of the recent 3 years, this year's production of dark air-cured and sun-cured would approximate  $20\frac{1}{2}$  million pounds--3 percent above the volume marketed in 1960.

Carryover of the combined dark air- and sun-cured types next October 1 may be near 63 million pounds--about 3 million less than last October and lowest since 1946. Such carryover plus the indicated crop would give total 1961-62 supplies of  $83\frac{1}{2}$  million pounds--3 percent less than for the current year.

### Domestic Use and Exports

During the current marketing year (October 1960-September 1961), the domestic use of dark air- and sun-cured may be a little below that in 1959-60. The chief domestic outlet for these types is in the manufacture of plug, twist and fine-cut chewing tobacco. In the first third of the current marketing year, output of these products was 7 percent below a year ago, and the decline is likely to continue. Another factor that will affect domestic disappearance is use in non-chewing products. Year-to-year changes in such use apparently contribute significantly to fluctuations in total domestic use of dark air-cured.

Exports of dark air-cured tobacco in the current marketing year may also be a little below the  $5\frac{3}{4}$  million pounds (farm-sales weight) shipped out in 1959-60. Last year, over 60 percent of total exports of dark air-cured tobacco went out in the form of Black Fat--a semi-processed product. In October 1960-January 1961, exports of Black Fat were 3 percent above those a year earlier. Exports to Nigeria and Ghana, first and second ranking markets, respectively, were



(Farm-sales weight)

1/ Year beginning October 1. 2/ Subject to revision. 3/ Through 1959, as of date determining burley support level; for 1960, as of September; for 1961, as of February. 4/ Set at 66-2/3 percent of burley support through 1957, but since has stayed at 1957 level in accordance with changes in legislation. 5/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures. 6/ An additional 200,000 pounds under option to British manufacturers were pledged for CCC loans but purchased and shipped by mid-1953. \*Indicated by sales data.

Table 25.—Sun-cured tobacco, type 37: Domestic supplies, disappearance, season average price, and price support operations for specified periods

(Farm-sales weight)

Year	Production	Stocks, Oct. 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Mil. lb.	Ct.
Average:							
1934-38	2.7	2.7	5.4	2.6			11.5
1941-45	2.4	3.2	5.6	2.6			28.1
1947-49	3.0	3.6	6.6	3.0			30.7
1950	3.6	4.0	7.6	3.5	3.0	0.5	33.9
1951	4.0	4.1	8.1	3.8	3.1	.7	34.6
1952	3.7	4.3	8.0	4.0	3.4	.6	31.6
1953	2.9	4.0	6.9	3.2	2.7	.5	31.8
1954	3.7	3.7	7.4	3.2	2.7	.5	32.2
1955	3.3	4.2	7.5	2.9	2.1	.8	25.3
1956	3.2	4.6	7.8	2.5	1.9	.6	35.7
1957	2.7	5.3	8.0	2.5	1.9	.6	34.0
1958	1.9	5.5	7.4	2.5	2.2	.3	36.8
1959	2.2	4.9	7.1	1.9	1.6	.3	34.4
1960 2/	*1.8	5.2	*7.0				38.0
	Parity price 3/	Price support level 4/	Placed under Government loan		Percentage of crop	Remaining in Government loan stocks on Feb. 28, 1961 5/	
	Ct.	Ct.	1,000 lb.		Pct.	1,000 lb.	
1950	34.2	30.5	34		0.9	0	
1951	37.5	33.2	59		1.5	0	
1952	37.7	33.0	84		2.3	0	
1953	35.6	31.1	24		.8	0	
1954	34.5	30.9	123		3.3	0	
1955	34.1	30.8	72		2.2	0	
1956	33.0	32.1	103		3.2	0	
1957	35.5	34.5	11		.4	0	
1958	37.5	34.5	29		1.5	0	
1959	38.0	34.5	24		1.1	0	
1960	38.4	34.5	4		.2	0	
1961	39.9	34.5					
Total			567			0	

1/ Year beginning October 1. 2/ Subject to revision. 3/ Through 1959, as of date determining burley support level; for 1960, as of September; for 1961, as of February. 4/ Set at 66-2/3 per cent of burley support through 1957, but since has stayed at 1957 level in accordance with changes in legislation. 5/ Actual loan stocks on a packed-weight basis are somewhat lower than these farm-sales weight figures. \*Indicated by sales data.

down a little. But moderately more than a year ago went to French West Africa, and substantially more than a year ago went to Spanish Africa. Cameroun took less than in October 1959-January 1960, and none was reported as going to Canary Islands.

In the first third of the current marketing year, exports of One Sucker were less than a sixth of those in the corresponding period of 1959-60. Belgium, ranking market last year, reduced takings sharply. None was reported as exported to Finland, which took a sizable quantity a year ago. In the same period, exports of Green River were only a fourth of those in October 1959-January 1960. Chief countries of destination were Congo Republic and Australia, both of which took some Green River in contrast to none a year earlier, and United Kingdom, which cut takings substantially.

#### Cigar Tobacco, Types 41-62

#### Prices and Price Supports

The 1960 crops of Pennsylvania filler type 41 and Ohio filler types 42-44 have been sold but official price averages are not yet available. The buying of the Pennsylvania crop was more sporadic than in 1959 when the crop was all sold rather quickly.

Virtually all the 1960 crops of Connecticut Valley binder have been sold or have moved under Government loan. Over two-fifths of the Broadleaf, type 51, was placed under loan, valued at an average of about 42 cents per pound. About three-fifths of the Havana Seed, type 52, went under loan at an average value of  $41\frac{1}{2}$  cents per pound.

The 1960 Northern Wisconsin binder, type 55, started selling at the end of January. By mid-March about fourth-fifths of the estimated crop had been sold. Prices averaged close to 32 cents per pound--5 cents lower than the 1959 season average. Binder grades were about 2 cents below a year ago; stemmings (fillers out) were about  $2\frac{1}{4}$  cents lower; straight stripped and crop lots were down 5 to 6 cents; and stem ends or fillers dropped about 9 cents. Marketing of the 1960 Southern Wisconsin binder, type 54, crop was delayed because lack of suitable weather conditions prevented its preparation for market. Early marketings of straight strip and crop lots in early March brought an average of about 32 cents--about 2 cents under the comparable period last season.

Government price supports for the 1961 crops of Connecticut Valley binder (types 51-52) and cigar filler and binder types 42-44 and 53-55 (practically all grown in Ohio and Wisconsin) will be the same as in 1960. Growers of these types approved marketing quotas for their 1960, 1961 and 1962 crops in February 1960, thus making them eligible for Government price support. Price supports will not be in effect on Pennsylvania filler type 41 since growers have consistently disapproved marketing quotas on this type.

Price support will be offered on the 1961 crop of Puerto Rican filler type 46. The Commonwealth Government of Puerto Rico has been setting a quota on this type for several years.



Table 26.--Cigar tobacco types: Government price support levels 1959-61, and season average prices, 1959-60

Type	1959		1960		1961
	Price support level <u>1/</u>	Season average price	Price support level <u>1/</u>	Indicated average price <u>2/</u>	Price support level <u>1/</u>
	Cents per pound	Cents per pound	Cents per pound	Cents per pound	Cents per pound
Ohio cigar filler, types 42-44	23.4	27.3	23.4	28.0	23.4
Puerto Rican filler, type 46	29.7	32.2	29.7	n.a.	29.7
Connecticut Valley Broadleaf binder, type 51	39.6	45.0	39.6	*42.0	39.6
Connecticut Valley Havana Seed binder, type 52	39.6	41.2	39.6	*41.5	39.6
Southern Wisconsin binder, type 54	26.5	29.3	26.5	31.8	26.5
Northern Wisconsin binder, type 55	32.0	37.1	32.0	32.0	32.0

1/ For Pennsylvania Havana Seed, type 53: 1959, 1960 and 1961, 26.5 cents. 2/ From unofficial sources or State reports. n.a. Not available.

\* Average for tobacco received under loan.

Table 27.--Cigar tobacco price support operations, quantities placed under loan, 1950-60, and remaining under loan February 28, 1961

Crop year	Puerto Rican, type 46	Ohio types 42-44	Conn. Valley, type 51	Conn. Valley, type 52	So. Wis., type 54	No. Wis., type 55	Total
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
1950	0.3	2.6	0.1	3.7	1.4	0.6	<u>1/</u> 11.5
1951	1.1	.6	1.7	2.7	4.8	.1	<u>1/</u> 11.0
1952	1.4	No Price Support			<u>2/</u>		1.4
1953	1.4	2.7	<u>3/</u>	1.8	2.4	1.9	<u>1/</u> 10.3
1954	5.1	1.2	.8	3.4	1.3	.9	12.7
1955	2.8	.8	7.8	5.2	.4	3.1	20.1
1956	1.5	.4	1.7	1.6	.1	.9	6.2
1957	2.0	.1	2.5	.4	---	.3	5.3
1958	2.0	0	.3	.1	0	.1	2.5
1959	1.8	0	1.5	.2	.9	<u>3/</u>	4.4
1960	<u>4/</u>	0	1.5	2.5	<u>4/</u>	* <u>4/</u> .1	<u>4/</u> 4.1
Total	19.4	8.4	17.9	21.6	11.3	8.0	<u>1/</u> 89.5
Remaining as of February 28, 1961	0	0	9.0	<u>5/</u> 6.1	<u>4/</u> .9	* <u>4/</u> .7	16.7

1/ Includes 2.8 million pounds of 1950 crop Pennsylvania Seedleaf (type 41) and negligible amounts from the 1950, 1951, and 1953 crops of New York and Pennsylvania Havana seed (type 53).

2/ Price support not in effect because marketing quotas were disapproved by growers. 3/ Less than 50,000 pounds. 4/ 1960 crop marketings not completed. 5/ Approximately 1 million pounds of this (most of that remaining from the 1954 crop) has been sold to Spain.

\* By mid-March an additional 700,000 pounds had been placed under loan.

1961 Cigar Filler and Binder Allotments

The 1961 allotment of the Connecticut Valley types 51-52 (announced on January 31, 1961) is 10,786 acres--about 10 percent lower than was available in 1960. Acreage allotments for most individual farms will be about 10 percent smaller than for 1960.

The 1961 allotment mainly for the Ohio filler types 42-44 and Wisconsin binder types 54-55 is 25,701 acres, almost the same as in 1960. Acreage allotments for most farms in these producing areas will be about the same as last year.

Included in the total acreages for allotment is an acreage reserved for adjustments, correction of errors, overlooked farms, and new farms.

Supplies

Filler: The 1960-61 total supply of Pennsylvania cigar filler at 162 million pounds is 3 percent above a year earlier and the largest since 1952-53. Based on farmers' intentions as of March 1, the 1961 prospective acreage is 30,000 -- 3 percent below that harvested in 1960. If yields per acre equal the 1956-60 average, 1961 production of Pennsylvania filler may total 51 million pounds, also 3 percent below last year.

The 1960-61 total supply of Ohio cigar filler, a little over 24 million pounds, is slightly more than in 1959-60. According to March 1 intentions of growers, the probable 1961 acreage is 4,600 -- 7 percent more than harvested last year. If yields per acre should equal the 1956-60 average (excluding the abnormally low 1958 yield), the 1961 crop would be about 7 million pounds, not much different than 1960 harvestings.

The 1960-61 total supply of Puerto Rico cigar filler is about 72 million pounds, a little larger than for 1959-60 when it was the lowest for many years. The Puerto Rican filler is planted in the fall and mostly harvested in the early months of the following year. The 1960 crop just recently harvested is estimated at 28 million pounds, slightly above a year earlier.

Binder: The 1960-61 total supply of Connecticut Valley binder types is 40 million pounds--about 2 million pounds less than for 1959-60 and lowest on record. Based on farmers' intentions as of March 1, the 1961 prospective acreage of Broadleaf is 1,700 and of Havana Seed, 1,300. These acreages are down 19 and 21 percent, respectively, from 1960. If yields per acre equal the 1956-60 averages and harvested acreage is close to intentions, the 1961 production of Broadleaf would be about 3 million pounds, nearly a fifth less than 1960 and the least on record; similarly, 1961 production of Havana Seed would be about 2.6 million pounds, down more than a fifth from 1960 and second lowest on record.

Table 28.--Cigar filler tobacco, types 41-46: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)

Year	Production	Stocks October 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Pennsylvania Seedleaf (type 41)							
Average:							
1947-49	54.6	101.4	156.0	48.8	47.8	1.0	27.7
1950	56.0	115.8	171.8	45.6	45.0	.6	26.4
1951	56.2	126.2	182.4	50.0	49.3	.7	19.0
1952	37.9	132.4	170.3	51.2	50.8	.4	25.2
1953	38.2	119.1	157.3	51.6	51.4	.2	27.5
1954	48.8	105.7	154.5	41.5	41.4	.1	27.4
1955	45.7	113.0	158.7	55.0	54.6	.4	24.5
1956	48.4	103.7	152.1	46.8	46.6	.2	24.0
1957	41.2	105.3	146.5	42.8	42.7	.1	20.5
1958	51.0	103.7	154.7	50.4	50.1	.3	28.0
1959	53.5	104.3	157.8	48.1	48.0	.1	31.5
1960 2/	52.7	109.7	162.4				
Ohio, Miami Valley (types 42-44)							
Average:							
1947-49	10.2	24.5	34.7	8.7	8.7		26.3
1950	10.5	28.0	38.5	7.3	7.3		18.6
1951	7.3	31.2	38.5	10.0	10.0		24.4
1952	8.8	28.5	37.3	10.0	10.0		25.0
1953	6.6	27.3	33.9	9.8	9.8		18.5
1954	8.0	24.1	32.1	9.2	9.2		22.5
1955	7.5	22.9	30.4	7.2	7.2		21.8
1956	6.3	23.2	29.5	6.4	6.4		22.0
1957	4.6	23.1	27.7	7.2	7.2		22.8
1958	2.5	20.5	23.0	5.9	5.9		24.2
1959	6.9	17.1	24.0	6.5	6.5		27.3
1960 2/	6.9	17.5	24.4				
Puerto Rico (type 46)							
Average:							
1947-49	26.4	65.0	91.4	34.0	29.8	4.2	24.8
1950	25.5	51.1	76.6	28.8	28.5	.3	28.0
1951	28.1	47.8	75.9	34.1	33.8	.3	30.0
1952	34.3	41.8	76.1	28.9	28.6	.3	32.0
1953	34.1	47.2	81.3	32.1	32.0	.1	30.0
1954	34.0	49.2	83.2	23.9	23.8	.1	30.5
1955	30.0	59.3	89.3	31.7	31.6	.1	25.2
1956	24.0	57.6	81.6	31.3	30.9	.4	30.8
1957	26.7	50.3	77.0	27.4	27.3	.1	27.5
1958	25.6	49.6	75.2	32.8	31.6	1.2	30.0
1959	27.6	42.4	70.0	26.2	25.8	.4	32.2
1960 2/	28.0	43.8	71.8				

1/ Year beginning October 1.

2/ Subject to revision.



Table 29.—Cigar binder tobacco, types 51-52: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)							
Year	Production	Stocks October 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Connecticut Valley Broadleaf (type 51)							
Average: 1947-49	14.4	28.5	42.8	14.7	12.4	2.3	54.7
1950	16.4	27.7	44.1	14.3	13.3	1.0	52.0
1951	14.5	29.8	44.3	14.1	13.2	.9	51.0
1952	14.8	30.2	45.0	14.5	13.8	.7	50.0
1953	14.7	30.5	45.2	13.4	12.7	.7	58.4
1954	13.3	31.8	45.1	11.7	11.5	.2	56.5
1955	12.1	33.4	45.5	14.7	14.3	.4	44.9
1956	7.5	30.8	38.3	12.8	11.3	1.5	59.0
1957	5.1	25.5	30.6	8.4	7.7	.7	50.0
1958	3.6	22.2	25.8	5.8	5.6	.2	54.0
1959	4.5	20.0	24.5	4.9	4.7	.2	44.0
1960 2/	3.7	19.6	23.3				
Connecticut Valley Havana Seed (type 52)							
Average: 1947-49	14.8	18.5	33.3	11.9	9.1	2.8	59.2
1950	15.2	25.0	40.2	12.9	11.2	1.7	39.8
1951	11.2	27.3	38.5	11.0	9.1	1.9	42.6
1952	9.6	27.5	37.1	12.9	11.5	1.4	48.9
1953	12.0	24.2	36.2	11.9	10.8	1.1	54.9
1954	11.9	24.3	36.2	12.9	12.2	.7	44.9
1955	9.9	23.3	33.2	11.6	10.1	1.5	35.0
1956	5.8	21.6	27.4	7.2	5.7	1.5	42.3
1957	3.2	20.2	23.4	7.5	6.3	1.2	44.9
1958	1.8	15.9	17.7	3.2	2.6	.6	49.4
1959	3.2	14.5	17.7	4.0	3.3	.7	41.2
1960 2/	3.3	13.7	17.0				
Total Connecticut Valley (types)							
Average: 1947-49	29.2	47.0	76.2	26.6	21.5	5.1	56.9
1950	31.6	52.7	84.3	27.2	24.5	2.7	46.1
1951	25.7	57.1	82.8	25.1	22.3	2.8	47.3
1952	24.4	57.7	82.1	27.4	25.3	2.1	49.6
1953	26.7	54.7	81.4	25.3	23.5	1.8	56.8
1954	25.2	56.1	81.3	24.6	23.7	.9	50.6
1955	22.0	56.7	78.7	26.3	24.4	1.9	40.4
1956	13.3	52.4	65.7	20.0	17.0	3.0	51.7
1957	8.3	45.7	54.0	15.9	14.0	1.9	48.2
1958	5.4	38.1	43.5	9.0	8.2	.8	52.4
1959	7.7	34.5	42.2	8.9	8.0	.9	42.6
1960 2/	7.0	33.3	40.3				

1/ Year beginning October 1.

2/ Subject to revision.

Table 30.--Cigar binder tobacco, types 54-55: Domestic supplies, disappearance, and season average prices, for specified periods

(Farm-sales weight)							
Year	Production	Stocks October 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Southern Wisconsin (type 54)							
Average:							
1947-49	13.4	38.3	51.7	12.7	12.5	0.2	22.5
1950	13.2	40.1	53.3	13.0	13.0		23.5
1951	10.4	40.3	50.7	16.0	16.0		25.3
1952	8.3	34.7	43.0	9.7	8.1	1.6	19.5
1953	7.2	33.3	40.5	10.0	10.0		24.3
1954	7.5	30.5	38.0	9.0	8.5	.5	24.3
1955	6.7	29.0	35.7	10.3	9.9	.4	22.9
1956	6.8	25.4	32.2	11.2	11.0	.2	26.1
1957	7.6	21.0	28.6	8.6	8.2	.4	31.1
1958	8.8	20.0	28.8	7.9	7.5	.4	34.6
1959	9.2	20.9	30.1	7.9	7.6	.3	29.3
1960 2/	9.8	22.2	32.0				3/ 31.8
Northern Wisconsin (type 55)							
Average:							
1947-49	19.6	36.3	55.9	18.5	17.5	1.0	28.8
1950	18.7	40.8	59.5	16.4	16.3	.1	28.1
1951	12.9	43.1	56.0	15.6	15.5	.1	31.3
1952	13.6	40.4	54.0	18.6	18.4	.2	31.4
1953	12.8	35.4	48.2	16.4	16.1	.3	31.9
1954	15.4	31.8	47.2	16.3	16.1	.2	32.7
1955	14.3	30.9	45.2	13.4	13.1	.3	24.6
1956	13.4	31.8	45.2	13.6	13.4	.2	30.9
1957	12.2	31.6	43.8	17.2	15.1	2.1	33.5
1958	13.0	26.6	39.6	14.3	12.0	2.3	35.2
1959	11.6	25.3	36.9	12.5	11.6	.9	37.1
1960 2/	14.9	24.4	39.3				3/ 32.0
Total Wisconsin types (54-55)							
Average:							
1947-49	33.0	74.6	107.6	31.2	30.0	1.2	26.2
1950	31.9	80.9	112.8	29.4	29.3	.1	26.2
1951	23.3	83.4	106.7	31.6	31.5	.1	28.6
1952	21.9	75.1	97.0	28.3	26.5	1.8	26.9
1953	20.0	68.7	88.7	26.4	26.1	.3	25.8
1954	22.9	62.3	85.2	25.3	24.6	.7	30.0
1955	21.0	59.9	80.9	23.7	23.0	.7	24.1
1956	20.2	57.2	77.4	24.8	24.4	.4	29.3
1957	19.8	52.6	72.4	25.8	23.3	2.5	32.6
1958	21.8	46.6	68.4	22.2	19.5	2.7	35.0
1959	20.8	46.2	67.0	20.4	19.2	1.2	33.7
1960 2/	24.7	46.6	71.3				3/ 32.0

1/ Year beginning October 1.

2/ Subject to revision.

3/ Preliminary estimates based on market reports.

Table 31.--Cigar wrapper tobacco, types 61-62: Domestic supplies disappearance, and season average prices, for specified periods

(Farm-sales weight)

Year	Production	Stocks July 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic	Exports	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Connecticut Valley Shade-grown (type 61)							
Average:							
1947-49	10.2	11.0	21.0	8.9			268.3
1950	9.1	13.6	22.7	9.7			205.0
1951	8.2	13.0	21.2	8.3			205.0
1952	8.9	12.9	21.8	10.8			210.0
1953	10.3	11.0	21.3	9.9			205.0
1954	9.9	11.4	21.3	10.2			215.0
1955	8.8	11.1	19.9	9.3			215.0
1956	10.3	10.6	20.9	9.5			190.0
1957	11.8	11.4	23.2	10.1			205.0
1958	10.2	13.1	23.3	10.3	6.9	3.4	235.0
1959	10.6	13.0	23.6	8.5	6.0	2.5	180.0
1960 2/	11.7	15.1	26.8				
Georgia-Florida Shade-grown (type 62)							
Average:							
1947-49	5.2	3.8	9.1	4.3			235.0
1950	6.4	5.9	12.3	5.4			200.0
1951	6.8	6.9	13.7	5.4			180.0
1952	5.8	8.3	14.1	5.8			180.0
1953	4.5	8.3	12.8	6.0			195.0
1954	6.6	6.8	13.4	6.5			195.0
1955	6.8	6.9	13.7	7.3			185.0
1956	6.8	6.4	13.2	6.1			180.0
1957	7.1	7.1	14.2	6.7			190.0
1958	6.3	7.5	13.8	6.5	4.6	1.9	185.0
1959	7.7	7.3	15.0	7.4	6.1	1.3	195.0
1960 2/	9.0	7.6	16.6				
Total Shade-grown (types 61-62)							
Average:							
1947-49	15.3	14.8	30.1	13.3	11.2	2.1	257.0
1950	15.5	19.4	34.9	14.9	11.3	3.6	203.0
1951	14.9	20.0	34.9	13.7	10.1	3.6	194.0
1952	14.7	21.2	35.9	16.6	12.2	4.4	198.0
1953	14.8	19.3	34.1	15.9	12.2	3.7	202.0
1954	16.4	18.2	34.6	16.6	12.4	4.2	207.0
1955	15.6	18.0	33.6	16.6	11.5	5.1	202.0
1956	17.2	17.0	34.2	15.7	11.2	4.5	186.0
1957	18.9	18.5	37.4	16.8	11.5	5.3	199.0
1958	16.5	20.6	37.1	16.8	11.5	5.3	216.0
1959	18.3	20.3	38.6	15.9	12.1	3.8	186.0
1960 2/	20.7	22.7	43.4				

1/ Year beginning July 1.

2/ Subject to revision.



The 1960-61 total supply of Wisconsin binder types is estimated at about 71 million pounds, moderately above 1959-60. Supplies of Southern Wisconsin tobacco are the largest in 4 years. Based on farmers' intentions as of March 1 the 1961 acreage of Southern Wisconsin type 54 may be 5,900 and of Northern Wisconsin type 55, 9,300 up 3 and 5 percent from 1960, respectively. If yields per acre should equal the 1956-60 average, this year's Wisconsin production may be about 25 million pounds, not greatly different than last year.

Wrapper: The 1960-61 total supply of shade-grown wrapper tobacco is over 43 million pounds--nearly an eighth larger than 1959-60 and a record high. Prospective acreage of the two wrapper types--Connecticut Valley, type 61 and Georgia-Florida, type 62--is 13,700, 4 percent lower than 1960. Acreage in the Connecticut Valley is 2 percent less than 1960 and in Georgia-Florida 7 percent below 1960. If yields per acre equal the 1956-60 average, this year's production of wrapper tobacco may approximate  $18\frac{1}{2}$  million pounds, compared with nearly 21 million in 1960. However, the carryover on July 1 will be up to a new high and total supplies for 1961-62 may also reach a new high.

#### Domestic Use and Exports

Filler: Domestic use of Pennsylvania filler during 1959-60 at 48 million pounds (farm-sales weight) was about 2 million pounds lower than a year earlier, though it did exceed each of the two previous years. Domestic use of Ohio filler at  $6\frac{1}{2}$  million pounds in 1959-60 was .6 million larger than a year earlier, but third lowest on record. Domestic use of Puerto Rican filler at less than 26 million pounds in 1959-60 was down nearly 6 million pounds from 1958-59 and smallest in 5 years. Exports of the cigar filler types, at about one-half million pounds in 1959-60 were only one-third as much as in 1958-59 and were negligible during October 1960-January 1961.

The total use of imported cigar filler in October 1959-September 1960 held about even with a year earlier. The use of Cuban tobacco (unstemmed equivalent) at 32 million pounds was down about  $2\frac{3}{4}$  million from 1958-59, while use of Philippine tobacco at 11 million pounds (unstemmed equivalent) was practically the same as a year earlier. Use of imported filler from other sources (mainly Peru, Dominican Republic and Colombia) in 1959-60 was about 3.9 million pounds (unstemmed equivalent), up substantially from 1958-59 when it was about 1 million pounds.

Binder: The 1959-60 domestic use of Connecticut Valley binder types 51-52 at 8 million pounds was almost the same as in 1958-59, but far less than in any previous year. Stocks data on the constituent types of processed sheet binder indicate that types 51-52 composed roughly 43 percent of the total tobacco used for this purpose. Processed sheet binder has replaced natural binders to a very large extent on cigars and drastically reduced the requirements for these Connecticut Valley types.

Exports of the Connecticut Valley types in 1959-60 at less than 1 million pounds were only slightly above the low 1958-59 level. During the first third of 1960-61, they were only slightly above the comparable period a year earlier. Increases in shipments of Broadleaf to Denmark, Netherlands and West Germany about offset decreases in shipments of Havana Seed to West Germany and Belgium. However, a substantial shipment (over 1 million pounds) to Spain is in prospect. This tobacco from the Government loan stocks was sold to Spain under the P.L. 480 program.

The 1959-60 domestic use of Wisconsin binder types 54-55 at about 19 million pounds was slightly less than 1958-59. It was a longtime low for Northern Wisconsin type 55 and near the record low of 1958-59 for Southern Wisconsin type 54. Much of the Wisconsin types is utilized in the manufacture of scrap chewing tobacco. Exports of Wisconsin tobacco in 1959-60 at about 1.2 million pounds (farm-sales weight) were sharply below each of the two previous years. Both West and East Germany took sharply less in 1959-60 than in 1958-59. During the first third of 1960-61 exports dropped off further, mainly due to smaller takings by West Germany.

Wrapper: The July 1959-June 1960 domestic use of shade-grown wrapper types 61-62 at 12.1 million pounds was the largest in 5 years. There was a substantial increase in the use of Georgia-Florida type 62 from 1958-59 to 1959-60, which more than offset a moderate drop in the use of Connecticut Valley type 61.

Exports of shade-grown wrapper in 1959-60 at 3.8 million pounds (farm-sales weight) were the smallest in 6 years. During the first 7 months of the 1960-61 marketing year, exports at 1.9 million pounds (farm-sales weight) were an eighth lower than in the comparable period of 1959-60. Exports of the Connecticut type held about even, but exports of the Georgia-Florida type were down more than a third. Though less Connecticut Valley shade-grown went to West Germany, the leading foreign outlet, increases in shipments to Canada, United Kingdom, Canary Islands and East Germany about offset the decrease. Most of July 1960-January 1961 decline in exports of Georgia-Florida shade-grown was to United Kingdom, East Germany and Brazil.

Table 32.--Tobacco leaf represented in stocks of tobacco sheet on specified dates 1/

Types	(Reported weight)				
	1960				1961
	January 1	April 1	July 1	October 1	January 1
	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.	1,000 lb.
Flue-cured (types 11-14)					
Unstemmed	452	75	88	90	116
Stemmed	1,219	2,442	2,938	2,402	2,298
Subtotal	1,671	2,517	3,026	2,492	2,414
Burley (type 31)					
Unstemmed	301	0	0	0	0
Stemmed	666	1,572	1,500	1,447	1,064
Subtotal	967	1,572	1,500	1,447	1,064
Foreign grown (type 90)					
Unstemmed	61	51	60	53	84
Stemmed	83	127	181	218	242
Subtotal	144	178	241	271	326
Total for cigarettes (including smoking tobacco)					
Unstemmed	814	126	148	143	200
Stemmed <u>2/</u>	1,973	4,158	4,642	4,094	3,630
Subtotal <u>2/</u>	2,787	4,284	4,790	4,237	3,830
Maryland (type 32)					
Unstemmed	0	0	0	0	0
Stemmed	40	17	21	21	11
Subtotal	40	17	21	21	11
Pennsylvania (type 41)					
Unstemmed	110	118	68	44	80
Stemmed	216	189	251	235	243
Subtotal	326	307	319	279	323
Connecticut Valley (type 51)					
Unstemmed	319	347	310	305	329
Stemmed	196	237	229	206	210
Subtotal	515	584	539	511	539
Connecticut Valley (type 52)					
Unstemmed	340	369	191	190	171
Stemmed	0	0	0	0	0
Subtotal	340	369	191	190	171
Northern Wisconsin (type 55)					
Unstemmed	101	121	182	214	199
Stemmed	9	8	7	8	32
Subtotal	110	129	189	222	231
Connecticut Valley (type 61)					
Unstemmed	69	46	45	64	40
Stemmed	327	419	335	384	360
Subtotal	396	465	380	448	400
Total for Cigars <u>3/</u>					
Unstemmed	953	1,018	816	845	900
Stemmed	816	900	874	893	893
Subtotal	1,769	1,918	1,690	1,738	1,793
Grand total for all types	4,556	6,202	6,480	5,975	5,623

1/ Does not include tobacco stems added in manufacturing process.2/ Includes very small quantity of Maryland (type 32).3/ Includes small quantities of mostly other cigar types.



Table 33.--Acreage of tobacco in the United States, by class and type, average 1947-49, annual 1959-61, and percentages

Class and type	Average 1947-49	1959	1960	1961 1/	Percentage change 1960 to 1961
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Percent
Old and Middle Belt, type 11	355.0	250.5	250.5	250.5	0
Eastern North Carolina, type 12	327.0	223.0	223.0	223.0	0
South Carolina, type 13	198.0	136.5	136.5	136.5	0
Georgia and Florida, type 14	113.5	83.3	84.3	84.3	0
Total flue-cured, types 11-14	993.5	693.3	694.3	694.3	0
Virginia, type 21	12.0	7.6	7.3	7.4	1.4
Kentucky and Tennessee, type 22	39.3	20.2	19.1	20.1	5.2
Kentucky and Tennessee, type 23	17.6	7.4	6.9	7.3	5.8
Total fire-cured, types 21-23	2/69.0	35.2	33.3	34.8	4.5
Burley, type 31	433.3	301.0	296.0	315.9	6.7
Maryland, type 32	48.0	40.0	37.5	39.0	4.0
One Sucker, type 35	17.8	9.0	8.8	9.0	2.3
Green River, type 36	11.4	4.2	4.3	4.4	2.3
Virginia sun-cured, type 37	3.2	2.1	1.8	1.9	5.6
Total dark air-cured, types 35-37	32.4	15.3	14.9	15.3	2.7
Pennsylvania Seedleaf, type 41	3/37.3	31.0	31.0	30.0	-3.2
Miami Valley, types 42-44	6.8	3.9	4.3	4.6	7.0
Total cigar filler, types 41-44	3/44.1	34.9	35.3	34.6	-2.0
Connecticut Valley Broadleaf, type 51	9.3	2.8	2.1	1.7	-19.0
Connecticut Valley Havana Seed, type 52	8.8	1.7	1.7	1.3	-23.5
Southern Wisconsin, type 54	9.2	5.7	5.7	5.9	3.5
Northern Wisconsin, type 55	13.3	8.2	8.9	9.3	4.5
Total cigar binder, types 51-55	4/40.6	18.4	18.4	18.2	-1.1
Connecticut Valley shade-grown, type 61	10.2	8.1	8.3	8.1	-2.4
Georgia and Florida shade-grown, type 62	4.6	5.7	6.0	5.6	-6.7
Total cigar wrapper, types 61-62	14.8	13.8	14.3	13.7	-4.2
Louisiana Perique, type 72	.4	.1	.3	.3	0
Total all types	1,676.1	1,152.0	1,144.3	1,166.1	1.9

1/ Farmers' intentions as of March 1.

2/ Includes small acreage of type 24.

3/ Includes small acreage of type 53.

4/ Includes small acreage of type 56.

Table 34.--Tobacco: Yield per acre in the United States, by types, for specified periods, with percentages

Period	Flue-cured		Burley		Maryland		Fire-cured		Dark air-cured		Va. sun-cured		Cigar						Total 1/
	11-14		31		32		Va.		Ky-Tenn		37		Filler		Binder		:wrap-:		
	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	Lb.	per	
Averages:																			
1934-38	856	819	749	792	806	839	809	1,413	1,028	665	1,553	1,383	954	865					
1941-45	1,005	1,053	696	892	986	1,027	878	1,382	1,151	812	1,646	1,468	1,004	1,027					
1947-49	1,186	1,267	790	1,088	1,128	1,133	942	1,510	1,504	790	1,607	1,467	1,033	1,196					
1950	1,312	1,222	800	1,310	1,054	983	1,120	1,500	1,350	750	1,670	1,446	1,130	1,259					
1951	1,309	1,355	785	1,340	1,183	1,204	1,145	1,610	1,480	831	1,676	1,473	1,098	1,301					
1952	1,229	1,403	805	1,250	1,223	1,314	1,100	1,600	1,550	963	1,620	1,447	1,124	1,267					
1953	1,245	1,345	900	930	1,034	1,060	790	1,480	1,400	842	1,833	1,400	1,203	1,251					
1954	1,261	1,586	875	1,060	1,229	1,395	900	1,670	1,750	921	1,754	1,530	1,264	1,336					
1955	1,497	1,513	670	1,155	1,399	1,391	775	1,550	1,700	855	1,643	1,475	1,213	1,453					
1956	1,625	1,635	840	1,260	1,555	1,592	1,030	1,670	1,625	941	1,849	1,716	1,290	1,583					
1957	1,471	1,592	1,040	1,245	1,411	1,367	1,030	1,420	1,270	1,035	1,940	1,709	1,442	1,476					
1958	1,691	1,567	915	1,385	1,393	1,269	1,170	1,700	835	1,089	1,867	1,682	1,286	1,600					
1959	1,559	1,669	780	1,320	1,560	1,465	1,040	1,725	1,760	1,062	1,681	1,502	1,325	1,533					
1960 2/	1,800	1,674	875	1,325	1,490	1,481	1,100	1,700	1,600	1,120	1,843	1,695	1,447	1,700					
Percentage change																			
Pct.		Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
Av. 1947-49 to 1960	51.8	32.1	10.8	21.8	32.1	30.7	16.8	12.6	6.4	41.8	14.7	15.5	40.1	40.8					
1959 to 1960:	15.5	.3	12.2	.4	-4.5	1.1	5.8	-1.4	-9.1	5.5	9.6	12.8	9.2	9.8					

1/ Total includes types 45, 56, 24, and 53 ended in 1939, 1948, 1949 and 1953, respectively.

2/ Subject to revision.

Table 35.--Cash receipts from farm marketings, averages 1936-45, annual 1946-60, with percentages

Period	Cash receipts				Tobacco as a percentage of	
	Livestock and products	All crops	Total farm	Tobacco	All crops	Total cash receipts
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Pct.	Pct.
Average:						
1936-40	4,715	3,491	8,206	274	7.8	3.3
1941-45	10,057	7,479	17,536	585	7.8	3.3
1946	13,730	10,834	24,564	969	8.9	3.9
1947	16,476	13,230	29,706	1,032	7.8	3.5
1948	17,071	13,136	30,207	945	7.2	3.1
1949	15,359	12,585	27,944	903	7.2	3.2
1950	15,976	12,352	28,328	1,061	8.6	3.7
1951	19,612	13,187	32,799	1,190	9.0	3.6
1952	18,445	14,248	32,693	1,091	7.7	3.3
1953	17,209	14,035	31,244	1,094	7.8	3.5
1954	16,688	13,515	30,203	1,161	8.6	3.8
1955	15,837	13,427	29,264	1,225	9.1	4.2
1956	16,250	14,122	30,372	1,162	8.2	3.8
1957	17,363	12,461	29,824	971	7.8	3.3
1958	19,301	14,259	33,560	1,020	7.2	3.0
1959	18,855	14,291	33,146	1,056	7.4	3.2
1960 1/	18,905	14,840	33,746	1,148	7.7	3.4

1/ Preliminary.

Table 36.--Federal and State tax revenues from tobacco products for specified periods

Period	Federal				States 2/	Total
	Cigarettes	Cigars	Chewing, smoking, and snuff	Total 1/	All tobacco products 3/	Federal and State
	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.	Mil. dol.
Average:						
1930-34	345	14	64	424	17	441
1935-39	472	13	62	548	55	603
1940-44	750	21	57	833	133	966
1945	937	38	57	1,034	168	1,202
1946	1,125	48	45	1,218	218	1,436
1947	1,176	47	43	1,267	289	1,556
1948	1,221	47	44	1,312	375	1,687
1949	1,233	44	42	1,320	406	1,726
1950	1,263	43	41	1,348	445	1,793
1951	1,360	44	37	1,446	461	1,907
1952	1,580	46	22	1,662	485	2,147
1953	1,546	46	21	1,614	486	2,100
1954	1,477	45	20	1,543	476	2,019
1955	1,530	46	20	1,596	500	2,096
1956	1,576	45	18	1,639	573	2,212
1957	1,639	46	18	1,704	614	2,318
1958	1,750	49	18	1,817	673	2,490
1959	1,792	51	17	1,860	841	2,701
1960 4/	1,887	50	17	1,955	5/990	2,945

1/ Includes leaf dealer penalties, floor taxes, cigarette papers and tubes, etc. 2/ Includes District of Columbia. 3/ In postwar years cigarette taxes have accounted for about 98 percent of State tobacco tax revenues. 4/ Preliminary. 5/ Estimated. General note: In addition, local government tax collections from tobacco products in recent years have averaged \$50 million.

Compiled from reports of the Internal Revenue Service, The Federation of Tax Administrators, and other sources.



Table 37.--Tobacco manufactures: Net sales, net income, and profit ratios, annual 1947-59, by quarters 1959-60

Period	Net sales	Net income		Profit			
		Before Federal tax	After Federal tax	Per dollar of sales		As percentage of stockholders equity (annual basis)	
				Before Federal tax	After Federal tax	Before Federal tax	After Federal tax
	Million dollars	Million dollars	Million dollars	Cents	Cents	Percent	Percent
1947	2,641	178	109	6.7	4.1	16.6	10.1
1948	3,081	257	159	8.3	5.2	22.0	13.7
1949	3,061	250	156	8.2	5.1	20.2	12.6
1950	3,129	281	152	9.0	4.9	21.3	11.5
1951	3,378	295	129	8.7	3.8	21.7	9.5
1952	3,702	285	120	7.7	3.2	19.8	8.4
1953	3,768	338	138	9.0	3.7	22.9	9.4
1954	3,672	329	156	9.0	4.2	21.5	10.2
1955	3,796	388	183	10.2	4.8	24.2	11.4
1956	3,959	413	197	10.4	5.0	24.6	11.7
1957	4,262	459	220	10.8	5.2	26.0	12.5
1958	4,649	521	249	11.2	5.4	28.2	13.5
1959	4,908	551	265	11.2	5.4	27.8	13.4
Quarterly 1959							
1	1,114	121	58	10.9	5.2	25.1	12.0
2	1,264	145	70	11.5	5.5	29.5	14.2
3	1,277	151	72	11.8	5.6	30.3	14.4
4	1,253	134	65	10.7	5.2	26.5	12.8
1960							
1	1,172	128	61	10.9	5.2	25.2	12.0
2	1,320	149	71	11.3	5.4	28.5	13.6
3	1,333	153	73	11.5	5.5	28.8	13.7

Note: The 1947-50 data lack strict comparability with the series beginning 1951.

Compiled and adapted from Quarterly Financial Report for Manufacturing Corporations, Federal Trade Commission--Securities and Exchange Commission.

## STATISTICAL SUMMARY

Item	Unit or base period	1960		1960-61		Last data as percentage of a year earlier	
		Jan.	Feb.	Dec.	Jan.		Feb.
Average price at auctions							
Flue-cured	Ct. per lb.	C - 1 - o - s - e - d		47.9	C - 1 - o - s - e - d	---	
Burley	Ct. per lb.	56.8	Closed	64.8	60.1	53.0	106
Maryland	Ct. per lb.	C - 1 - o - s - e - d		C - 1 - o - s - e - d			---
Virginia fire-cured	Ct. per lb.	38.0	31.1	39.8	39.4	38.2	123
Ky.-Tenn. fire-cured	Ct. per lb.	37.7	37.3	Closed	42.6	43.1	116
Ky.-Tenn. dark air-cured	Ct. per lb.	34.6	34.7	36.5	37.7	38.9	112
Virginia sun-cured	Ct. per lb.	34.7	Closed	38.6	37.8	37.1	109
Parity prices 1/							
Flue-cured	Ct. per lb.	63.4	63.4	63.2	64.7	64.9	102
Burley	Ct. per lb.	n. a.	65.8	65.6	n. a.	68.9	105
Maryland	Ct. per lb.	57.7	57.7	57.8	60.2	60.4	105
Virginia fire-cured	Ct. per lb.	n. a.	42.8	42.6	n. a.	43.8	102
Ky.-Tenn. fire-cured	Ct. per lb.	n. a.	43.1	42.9	n. a.	n. a.	---
Ky.-Tenn. dark air-cured	Ct. per lb.	n. a.	38.0	37.8	n. a.	40.5	107
Virginia sun-cured	Ct. per lb.	n. a.	38.6	38.4	n. a.	39.9	103
Pa. cigar filler	Ct. per lb.	n. a.	29.8	29.7	n. a.	n. a.	---
Conn. Valley cigar binder	Ct. per lb.	n. a.	45.1	45.0	n. a.	n. a.	---
Wis. binder and Ohio filler	Ct. per lb.	n. a.	32.9	32.8	n. a.	n. a.	---
Puerto Rican filler	Ct. per lb.	33.2	33.2	33.1	35.2	35.3	106
Parity index 2/	1910-14=100	299	299	298	301	302	101
Industrial production index 3/	1957=100	111	110	103	102	102	93
Employment	Mil.	64.0	64.5	66.0	64.5	64.7	100
Personal income 4/	Bil. dol.	395.7	395.7	406.9	406.6	405.9	103
		1959-60		1960-61			
		Dec.	Jan.	Nov.	Dec.	Jan.	
Taxable removals							
Cigarettes	Bil.	34.3	37.6	40.3	33.8	38.9	103
Cigars and cigarillos	Mil.	442.1	472.9	671.5	364.7	475.2	100
Smoking tobacco	Mil. lb.	4.9	5.4	6.1	4.8	5.9	109
Chewing tobacco	Mil. lb.	5.3	5.2	5.6	4.7	5.4	104
Snuff	Mil. lb.	3.0	2.8	2.8	2.9	2.8	100
Accumulated from Jan. 1							
Cigarettes	Bil.	453.7		436.3	470.1		104
Cigars and cigarillos	Mil.	6,470		6,146	6,511		101
Smoking tobacco	Mil. lb.	71.2		66.5	71.3		100
Chewing tobacco	Mil. lb.	66.8		59.2	63.8		96
Snuff	Mil. lb.	33.6		31.7	34.7		103
Tax-exempt removals							
Cigarettes	Bil.	3.1	2.7	3.2	3.0	3.1	115
Exports	Bil.	1.7	1.4	2.0	2.0	1.7	121
Cigars and cigarillos	Mil.	8.4	4.2	10.4	8.6	8.3	198
Smoking tobacco	Mil. lb.	.1	.2	.2	.2	.2	100
Chewing tobacco	Mil. lb.	.1	.1	*	.1	.1	100
Accumulated from Jan. 1							
Cigarettes	Bil.	35.8		34.0	37.0		103
Exports	Bil.	19.6		18.3	20.2		103
Cigars and cigarillos	Mil.	102.6		96.5	105.1		102
Smoking tobacco	Mil. lb.	1.9		2.1	2.3		121
Chewing tobacco	Mil. lb.	1.2		.8	.9		75
Wholesale price indexes 5/							
Cigarettes, reg. nonfilter	1947-49=100	134.8			134.8		100
Cigarettes, filter tip	Jan. 1959=100	100.0			100.0		100
Cigars	1947-49=100	106.6			106.5		100
Smoking tobacco	1947-49=100	167.7			167.7		100
Plug chewing tobacco	1947-49=100	142.4			142.4		100
Snuff	1947-49=100	148.5			148.5		100
Consumer price indexes (urban) 6/							
Cigarettes, Reg. nonfilter	1947-49=100	144.5			144.9		100
Cigarettes, filter tip	Mar. 1959=100	106.7			107.1		100
Cigars	1947-49=100	114.4			115.5		101
Imports of tobacco							
Cigarette leaf	Mil. lb.	7.7	9.7	9.4	9.6	10.2	105
Cigar tobacco 7/	Mil. lb.	3.4	5.9	3.3	3.5	4.7	80
Accumulated from Jan. 1							
Cigarette leaf	Mil. lb.	111.9		109.5	119.1		106
Cigar tobacco 7/	Mil. lb.	45.4		43.4	46.9		103

See footnotes at end of Statistical Summary.

Continued -

## STATISTICAL SUMMARY--CONTINUED

Item	Unit or base period	1959-60		1960-61			Last data as percentage of a year earlier
		Dec.	Jan.	Nov.	Dec.	Jan.	
Exports of leaf tobacco							
(farm-sales weight)							
Flue-cured	Mil. lb.	50.9	18.4	79.6	41.1	18.7	102
Burley	Mil. lb.	6.5	3.8	6.8	3.5	2.4	63
Maryland	Mil. lb.	2.2	.4	1.9	2.0	.7	175
Virginia fire- & sun-cured	Mil. lb.	1.1	.7	.4	.8	.6	86
Ky.-Tenn. fire-cured	Mil. lb.	2.0	1.7	5.2	2.0	1.8	106
Ky.-Tenn. dark air-cured	Mil. lb.	.4	.2	.1	*	*	---
Black Fat	Mil. lb.	.5	.2	.3	.5	.4	200
Cigar wrapper	Mil. lb.	.2	.5	.2	.3	.4	80
Connecticut binder	Mil. lb.	*	.1	.1	.1	*	---
Wisconsin binder	Mil. lb.	.3	*	0	*	0	---
Accumulated from beginning of marketing year <u>8/</u>							
Flue-cured	Mil. lb.	297.8	316.1	304.0	345.1	363.8	115
Burley	Mil. lb.	10.9	14.7	9.5	13.0	15.5	105
Maryland	Mil. lb.	4.0	4.4	3.2	3.3	4.7	107
Virginia fire- & sun-cured	Mil. lb.	1.3	2.0	1.1	1.9	2.5	125
Ky.-Tenn. fire-cured	Mil. lb.	6.2	7.9	7.2	9.2	10.9	138
Ky.-Tenn. dark air-cured	Mil. lb.	.6	.9	.1	.1	.2	22
Black Fat	Mil. lb.	1.4	1.6	.7	1.2	1.6	100
Cigar wrapper	Mil. lb.	1.7	2.2	1.3	1.5	1.9	86
Connecticut binder	Mil. lb.	.3	.4	.3	.4	.4	100
Wisconsin binder	Mil. lb.	.3	.3	.3	.3	.3	100
Exports of manufactured tobacco							
in bulk	Mil. lb.	.5	.7	1.0	.6	.4	57
Accumulated from Jan. 1	Mil. lb.	8.5		7.2	7.7		91

Q u a r t e r l y d a t a							
		1959-60		1960-61			
		Oct.-Dec.	Jan.-Mar.	Oct.-Dec.	Jan.-Mar.		
Tobacco stocks--1st of quarter <u>9/</u>							
Domestic types							
(farm-sales weight)							
Flue-cured	Mil. lb.	2,556	2,597	2,469	2,609		100
Burley	Mil. lb.	1,224	1,469	1,191	1,400		95
Maryland	Mil. lb.	72	64	71	62		97
Fire-cured	Mil. lb.	122	113	123	110		97
Dark air- and sun-cured	Mil. lb.	69	71	66	66		93
Cigar filler	Mil. lb.	164	148	171	150		101
Cigar binder	Mil. lb.	81	78	80	78		100
Cigar wrapper	Mil. lb.	25	30	29	31		103
Under Government loan <u>10/</u>	Mil. lb.	901	879	707	708		81
Tobacco sheet <u>11/</u>							
Cigarette types	Mil. lb.	2.1	2.8	4.2	3.8		136
Cigar types	Mil. lb.	1.7	1.8	1.7	1.8		100
Foreign types (unst. equiv.)							
Cigarette and smoking	Mil. lb.	209	229	210	211		92
Cigar	Mil. lb.	44	43	63	65		151
Tobacco outlets <u>12/</u>							
Seasonally adjusted data, annual rates, for charts, p.2:							
Cigarettes							
Production	Bil.	504	502	509	518		103
Taxable removals	Bil.	470	462	472	478		103
Cigar production	Bil.	6.87	7.29	6.86	6.91		95
Smoking production	Mil. lb.	71.0	76.9	71.8	77.8		101
Chewing production							
Scrap	Mil. lb.	35.0	30.9	33.0	31.1		101
Plug and other	Mil. lb.	36.5	32.8	32.4	30.2		92
Snuff production	Mil. lb.	35.3	33.3	33.8	34.0		102
Exports of leaf (farm-sales weight)							
Total	Mil. lb.	527	475	692	460		97
Flue-cured	Mil. lb.	421	395	561	377		95

1/ Based on data for month specified. 2/ Prices paid by farmers including interest, taxes and wage rates. 3/ Seasonally adjusted. 4/ Seasonally adjusted, annual rate. 5/ Excise tax excluded. 6/ Federal and applicable state and local taxes included. 7/ Unstemmed equivalent. 8/ July 1 for flue-cured and cigar wrapper and October 1 for others.

9/ Holdings of manufacturers and dealers including grower cooperatives. 10/ Reported by grower cooperatives.

11/ Weight of tobacco leaf not including stems added. 12/ Data for most recent quarter are preliminary estimates.

\*Less than 50,000 pounds.



Index of Special Material, Tables, and Charts in 1960, issues of The Tobacco Situation

Each issue of The Tobacco Situation carries discussion and standard statistical tables which cover (1) each major product or groups of products (2) exports, foreign production and United Kingdom data, (3) imports and (4) each kind of leaf tobacco. The discussion and regular tables contain current estimates and the most recent data available. Also included in each issue are 6 standard charts that depict recent trends in manufactured tobacco products and leaf tobacco exports. In addition, various issues of The Tobacco Situation usually contain a special article, other special items, or certain special-purpose tables and charts; the following index provides references to such items published in issues of The Tobacco Situation during calendar year 1960:

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